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INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

FEBRUARY 26, 27, 28, AND MARCH 1, 1957

PART 1

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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**SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, FEBRUARY 26, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts; Senator Irving M. Ives, Republican, New York; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel to the select committee; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Present at the opening of the session were Senators McClellan, Ives, Kennedy, Ervin, McNamara, Mundt, and Goldwater.)

The CHAIRMAN. The chair wishes to make a brief opening statement.

Senate Resolution 74, 85th Congress, agreed to January 30, 1957, established this select committee, which has been officially named the Select Committee on Improper Activities in the Labor or Management Field.

This select committee is authorized and directed—

to conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers to the detriment of the interests of the public, employers or employees, and to determine whether any changes are required in the laws * * * in order to protect such interests against the occurrence of such practices or activities.

The need for such an inquiry was established prior to the adoption of this resolution through preliminary investigations made by the Senate Committee on Labor and Public Welfare, by the Senate Permanent Subcommittee on Investigations; through efforts of other Federal and State agencies; and through the media of the public press.

The urgency of this problem was recently demonstrated by organized labor itself when the AFL-CIO felt impelled to adopt strict codes of ethical practices covering the establishment of paper locals;

the administration of welfare funds; the infiltration of racketeers, Fascists, and Communists; and with respect to conflicts of interest.

It shall be the purpose of this committee to inquire into and expose any illegal or improper practices or activities in these areas and to ascertain what changes, if any, are needed in the laws of the United States to prohibit and protect both labor and management and the public interest against a continuation or recurrence of such wrongdoing.

In carrying out the duties with which it is charged, it is expected that this select committee will conduct many series of hearings, both in executive and public sessions. Today marks the first of its public hearings.

The select committee's investigation will not be conducted in a spirit of antagonism toward either labor or management. It will be directed at getting the truth and exposing evil or wrongdoing wherever it may exist. It will seek to get facts upon which the Government can move to better protect labor and management and the public from practices and activities that are inimical to the public welfare.

Therefore, in the coming months this committee expects to give attention to problems inherent in labor-management collusion, underworld infiltration of the labor movement, misuse of union and welfare funds, suppression of civil rights and liberties of union members by their leaders, conflict of interest, and the use of violence, shakedowns, and extortions.

The scope of the committee's operations will not be limited to any particular section of the country. We already have investigators in Philadelphia, Los Angeles, Seattle, Portland, San Francisco, Chicago, Scranton, Minneapolis, and New York. We have received complaints that appear to have merit from more than 20 other cities. Investigators will be sent to those cities as early as our workload and manpower staff will permit.

Nor will the committee's activities be limited to only a few unions and their concomitant employers. Already under investigation are the teamsters, carpenters, operating engineers, allied industrial workers, and a number of other unions, together with their management employers, such as contractors, builders and department store officials.

The apparently growing influence of the underworld on labor-management relations will be of particular interest to the committee. In some areas, criminals and their accomplices have become aware of loopholes in the laws governing the conduct of labor unions. They are seeking to take full advantage of the opportunities that deficiencies in the present law afford with a view of seizing control of the labor unions and employer associations. Situations of that type have assumed disturbing proportions.

It is expected that this present series of public hearings on the situation at Portland, Oreg., will reveal some of the illegal and improper practices to which I have referred, and how in some instances unscrupulous union leaders undertake to form, and do form, successful alliances with equally unscrupulous politicians to gain control of and to operate organized vice in violation of law.

In the near future we expect to hold public hearings with particular attention to the problem of labor-underworld alliances in the area of New York. At that time some nationally known hoodlums will be

called before the committee to explain their connection with labor and management groups.

It is imperative that the committee learn not only which racketeers are present in union and employer associations but also how they came to be there—who sponsored these men and who protected them. Mere exposure, however, is not enough to drive these undesirables from their positions. We must seek to find a way to seal them off permanently from the labor-management movement. Their means of entrance must be blocked.

I say that the assignment this committee has been given—the duties with which it is charged—obviously is important and stupendous. Its labors of necessity will be arduous and difficult. They can be made more easy and pleasant, however, and its success and constructive accomplishments can be greatly enhanced if it has the sympathetic understanding and cooperation of labor, management, and the public. That, the committee earnestly solicits.

We hope that as we undertake to discharge our duties, and as we pursue this assignment, the committee in its efforts to render this service, will merit that cooperation, understanding, and assistance that it seeks.

Senator Ives, do you care to make any comment?

Senator IVES. The only comment I have Mr. Chairman is to concur completely with what you had to say. It is obvious that if we are going to do the job we expect to do, and I think we can do very well, we have to be utterly impartial. I am sure that every member of this committee feels that way. I am sure it will be conducted in a just and dignified manner.

Nobody will be seeking to get anything on anybody which is not deserved.

That is all I have to say.

The CHAIRMAN. The Chair will be glad to yield to any other member of the committee who may desire to make any comment. Is there anyone on my right? Senator Kennedy, or Senator Mundt?

All right, gentlemen, thank you very much.

Mr. Kennedy, call the first witness.

Mr. KENNEDY. Mr. Wallace Turner and Mr. William Lambert.

The CHAIRMAN. Will you be sworn? Do you, and each of you, solemnly swear that the evidence you shall give before this Senate select committee, be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TURNER. I do.

Mr. LAMBERT. I do.

TESTIMONY OF WALLACE TURNER AND WILLIAM LAMBERT

The CHAIRMAN. Will each of you state your name, and your place of residence, and your business or occupation, for the record, please?

Mr. TURNER. My name is Wallace Turner. I live in Portland, Oreg., and I am a reporter for the Oregonian, which is a newspaper which is published there.

Mr. LAMBERT. My name is William Lambert. I reside in West Linn, Oreg., a suburb. I am a reporter for the Oregonian.

The CHAIRMAN. Gentlemen, you, I am sure, are familiar with the rules of this committee. You are privileged, if you desire to, to have

present with you when you testify, counsel of your own choice, that is, counsel that may advise you with respect to your legal rights only.

Mr. LAMBERT. Our counsel is present here, but we see no necessity for his being with us.

The CHAIRMAN. I believe you gentlemen were recently awarded some kind of honor, is that correct? That is the Heywood Broun award.

Mr. TURNER. Yes, sir, we have.

The CHAIRMAN. Is that this year?

Mr. TURNER. Yes, sir.

The CHAIRMAN. We congratulate you, and we are very glad to welcome you here.

All right, Mr. Counsel, proceed.

Mr. KENNEDY. Mr. Chairman, Mr. Turner and Mr. Lambert have prepared statements that they have submitted in advance.

The CHAIRMAN. Were they submitted within the rules?

Mr. KENNEDY. Yes.

The CHAIRMAN. Is it a joint statement, or do each of you have separate statements?

Mr. TURNER. We each have separate statements.

The CHAIRMAN. You may proceed first.

Mr. TURNER. Thank you, sir.

Mr. Robert Kennedy, this committee's chief counsel, has asked Mr. Lambert and me to prepare an outline of certain events which we reported for our newspaper, the Portland Oregonian. Some of those matters are under examination by this committee under terms of its assignment from the United States Senate.

Mr. Lambert and I have worked steadily on this series of stories during the past year. This is the fourth time that we have been brought before investigating bodies by subpoena. Our newspaper has directed us to provide every possible degree of cooperation with officials investigating the serious matters which we have reported.

The CHAIRMAN. The Chair interrupts to inquire. You say this is the fourth time that you have been brought before investigating committees by subpoena. Were those all Federal investigations?

Mr. TURNER. One of them was, sir. We appeared before the Investigations Subcommittee.

The CHAIRMAN. The other two were State investigative authorities?

Mr. TURNER. Yes, sir.

The CHAIRMAN. The other one that you appeared before as Federal was just recently before the Permanent Investigating Subcommittee, is that correct?

Mr. TURNER. That is correct.

The CHAIRMAN. Proceed.

Mr. TURNER. Our publisher, Mr. M. J. Frey, has said that he believes the constitutional privileges of a newspaper carry with them obligations of public service. It is in satisfaction of those obligations that our newspaper has printed the stories to which I referred.

The persons who have committed the misdeeds you will hear of here have attributed to us a great many other motives—all of them dishonorable. But I shall leave to you to decide after you've heard the evidence gathered by your staff whether we've accomplished a public service by exposing the chicanery and venality of a group of racketeers.

Our paper was slow in getting into this story for the reason that we were unable to get any solid information to substantiate the many rumors we heard. Basically, the events involved here constitute a conspiracy and none of the conspirators was ready to talk.

There were many straws in the wind, but all of them were elusive. Not until February 1956 were we able to get a basis on which we could begin investigation. One of the conspirators was disenchanted with the others. By accident, I contacted him about another matter at the time when he was ready to talk.

This man is James B. Elkins who will identify himself to you as a racketeer. Although I had known him since 1949, I had not seen him or talked to him since October 1954. My contact with him a year ago was to attempt to get information from him about another subject.

He was unable to help me with that. But he mentioned having had trouble with the teamsters. I pressed him for details and he would give none. He also spoke of having a partnership arrangement with Clyde C. Crosby.

Mr. Crosby, head of the teamster union in Oregon, also was a member of a city commission charged with the duty of selecting a site on which to build an \$8 million coliseum. Mr. Elkins said he was working with Mr. Crosby in a real-estate speculation scheme. Mr. Crosby was to use his influence to bring about purchase of the Elkins-Crosby property by the public commission on which Mr. Crosby was a member.

The CHAIRMAN. As I understand it, Mr. Crosby was a member of the city government.

Mr. TURNER. He was a member of an unpaid public commission, but in all practical purposes and under the law he was a public official.

The CHAIRMAN. Charged with a duty of what?

Mr. TURNER. Of supervising the construction and operation of this \$8 million property which I mentioned.

The CHAIRMAN. Did he have any authority or connection with the selection of a site for the building?

Mr. TURNER. He did, sir.

The CHAIRMAN. He was on the commission that would select the site, and approve it and purchase it?

Mr. TURNER. Yes, sir.

The CHAIRMAN. All right, proceed.

Mr. TURNER. I was told by my publisher and managing editor to pursue Mr. Elkins for more information. Mr. Lambert was assigned to work with me on the story. After a great deal of persuasion, Mr. Elkins provided us with a full story of his conspiracy with these men:

William M. Langley, district attorney of Multnomah County where Portland is located.

Joseph P. McLaughlin, a Seattle cardroom operator and bookie.

Thomas E. Maloney, Seattle and Spokane race track figure who had played a leading part in Mr. Langley's 1954 campaign for district attorney.

Mr. Crosby, the teamsters international representative for Oregon.

In addition to his dealings with these men, Mr. Elkins also made startling revelations about Frank W. Brewster, a vice president of the international teamsters union and president of the Western Conference of Teamsters. He also told many things about the late John J. Sweeney, secretary-treasurer of the Western Conference of Teamsters.

Not only did Mr. Elkins eventually talk freely of those matters. He had compelling evidence to substantiate his statements. This was in the form of tape recordings of the conversations held by the conspirators in Mr. Maloney's apartment. Some of those recordings are to be played in these hearings, Mr. Kennedy has said.

I think this is a proper place to make several points clear about Mr. Elkins. First, he has not asked the Oregonian or Mr. Lambert or me to give him any protection for anything he has done. Second, he has made himself available for testimony to any official body which has issued a subpoena for him. Third, despite his cooperation he was indicted on more than a dozen counts last summer by a grand jury to which he had given his story under oath. There are more indictments against him than against anyone else involved. But his only serious complaint was that one indictment accused him of having a part in a prostitution racket. Despite whatever else he has done, he prides himself that in his long experience in the rackets he has never taken the earnings of a prostitute. Finally, Mr. Elkins has been the victim of one of the most thorough attempts at intimidation I have ever seen visited on any witness.

The aims in life of myself and Mr. Elkins have been diametrically opposed in the years that I have known him as a news source. I abhor the rackets he has operated. I've tried to drive them out of our town. I have been highly critical of him for his conduct.

But for what he has done during the past year toward wiping out a criminal conspiracy I believe to have been in the public interest.

A great deal of diversionary noise has been made about his motives. All sorts of peculiar and bizarre notions have been forwarded by the group of conspirators to which he once belonged. I can't begin to analyze him to discover his motivation.

However, I think such concern is pure nonsense. What possible difference can it make? He's either telling the truth or he isn't. Since his story is corroborated in hundreds of ways by documents and testimony over which he has no control, I am positive that he is telling the truth.

Some of that corroboration was obtained in our investigation. But we had no power of subpoena. There were only two of us. We had no official status. That is one of the major contributions to be made by these hearings. The excellent staff which serves this committee has been able to uncover even more evidence of improper activity in the conduct of the teamsters union in the Pacific Northwest than we dreamed existed.

As newspapermen, we long ago reached the limit of our ability to bring about changes that would halt the misuse of the economic power of this organization. Time and again we have been visited in secret places at night by honorable workingmen who complained of their inability to take action to stop the improper activities of their union leaders. Without exception, they were in terrible fear that their visits to us might become known to their union's bosses. The fear of retaliation is one of the most potent weapons to silence criticism from within the teamsters union in the Pacific Northwest. That fear pervades this organization.

The CHAIRMAN. What do you mean by that?

Mr. TURNER. I mean the members of the union are scared to death to get out of line.

The CHAIRMAN. They are afraid to tell the truth and to reveal what they know?

Mr. TURNER. Yes, sir.

The CHAIRMAN. Their fear is what?

Mr. TURNER. That their union cards at least will be taken up and they will be out of employment.

The CHAIRMAN. You are testifying under oath that that is what they have revealed to you in the course of your investigation of this matter?

Mr. TURNER. I have been so told by members of that union.

Senator MUNDT. Following up on that, by retaliation you mean that they fear that they would lose their means of livelihood?

Mr. TURNER. That is one thing that they fear; yes.

Senator MUNDT. To be deprived of their jobs, and they could not support their families?

Mr. TURNER. Yes, sir.

Senator MUNDT. There are other types of retaliation which they fear?

Mr. TURNER. Yes, sir; that union has a history in our State of physical violence to people who disagreed with them. I think that your staff has witnesses under subpoena who can testify to that.

Senator MUNDT. You are saying under oath that the men who come to visit you at night are afraid not only of the fact they would lose their jobs and their means of livelihood, but that they might also be subjected to physical violence?

Mr. TURNER. Yes, sir.

Senator IVES. Before you proceed from there, Mr. Chairman, do you know of instances where those conditions have actually existed, where those things have occurred? You say they allege that that would happen to them. Do you know of any case where that has happened?

Mr. TURNER. I can't think of any right now; no, sir.

Senator IVES. Thank you.

The CHAIRMAN. Proceed.

Mr. TURNER. The officials of our State have investigated the specific violations of law that were committed in the course of the conspiracy which has been uncovered in the Portland area. But they were unable to take action to halt many of the improprieties.

No longer than a month ago, the officers of the teamsters union defied no less authority than a committee of the United States Senate. Imagine, if you can, what short shrift they give to some State official who is limited both by budget and by authority.

A newspaper can only go so far. Local, city, county, and State officials are hampered in the performance of their duties by union power. The only hope of exposing a disgraceful condition which impairs the political and economic freedom of a city like Portland rests in such a congressional body as this one, free from such pressures.

Senator GOLDWATER. Would the witness yield there for a moment? You say local, city, county, and State officials are hampered in the performance of their duty by union power. Is this economic power or political power?

Mr. TURNER. I think it would be best to say it is political power that they are using against them. I believe there are witnesses under subpoena who have evidence to give along that line, sir.

Senator GOLDWATER. In your investigations, have you found that the unions have this political power, and are using it?

Mr. TURNER. Yes, sir; I have.

The CHAIRMAN. Proceed.

Mr. TURNER. A few months ago the Portland City Council passed a resolution asking that the United States Senate send a committee to Portland to investigate the teamsters union. On that city council sat two men who had felt the malicious power of the teamsters. They are subpoenaed as witnesses here, and I think they can and will tell you exactly why no local authority can deal with the racketeers and hoodlums who have risen to prominence and power in the teamsters union.

They tried to take over our city government. They attempted to ingratiate themselves with our State officials, and there is some evidence that they have succeeded to at least a limited degree. They plotted the overthrow of the attorney general of Oregon because he was violently opposed to organized prostitution.

And, finally, there is no other forum where a hearing on these facts can be had. Twenty years ago, Dave Beck stayed in the State of Washington to avoid service of a subpoena requiring testimony before an Oregon grand jury that was investigating beatings, bombings, and acid throwing of goons in his union. Now he goes to Europe.

The CHAIRMAN. All right, Mr. Counsel, proceed with any questions.

Mr. KENNEDY. Mr. William Lambert has a statement that he is prepared to read, Mr. Chairman.

The CHAIRMAN. All right, Mr. Lambert, you may proceed.

Senator MUNDT. Before you conclude with Mr. Turner, I have a question that I would like to ask in connection with the statement on page 3 of your presentation.

You made the statement:

Finally, Mr. Elkins has been the victim of one of the most thorough attempts at intimidation I have ever seen visited on any witness.

Will you dilate on that a little bit, and give us more details?

Mr. TURNER. I must rely in what I am going to relate to you on what Mr. Elkins told me. He tells me that he has had men come to his house at night to threaten him; that they have come to him, and that he has had to use physical force to drive them away. He has been told that, unless he refuses to testify to this committee and to State authorities, he will be indicted for violation of the Federal wiretapping statute, and he is now under indictment for violation of that statute.

There is a great deal of material along that line, Senator, which I would feel better about if you would have Mr. Elkins testify to.

Senator MUNDT. You are relying for your statement in that connection upon information received from Mr. Elkins, which we can elicit from him when he is a witness?

Mr. TURNER. Yes, sir.

Senator MUNDT. The purpose of my inquiry was whether there was other independent information that had come to your attention of

cases which had reached the press, or actual cases of intimidation which might have reached the police courts.

Mr. TURNER. Well, sir, he and one of his employees have been harassed by the district attorney of Multnomah County, who obtained certain warrants used as a basis for a search of the home of one of Mr. Elkins' employees. There were certain tape recordings seized there. Before the court could rule on the validity of the search warrant, copies of these tape recordings were made, and they went all over our city. Those tape recordings were used as a basis of wire-tapping indictments in the State courts, and as a basis of one in the Federal courts against both of them. The State court of Oregon has held that evidence was illegally seized and should be quashed. That is one example that comes to me offhand.

Senator MUNDT. Because the district attorneys come and go, and we do not want to slander some innocent district attorney, I think that you should tell us the name of that district attorney.

Mr. TURNER. This gentleman's name is William M. Langley.

Senator MUNDT. That is the one you mentioned?

Mr. TURNER. Yes; it is.

Senator KENNEDY. On the top of page 3, referring to the grand jury indictment, is that sentence where you say:

Despite his cooperation he was indicted on more than a dozen counts—

is that suggesting that he was indicted on those counts because of his cooperation with you, by the grand jury?

Mr. TURNER. No, sir; I did not mean that, sir. I merely meant to point out that he was friendly with the grand jury and he answered the questions, but still he was indicted.

Senator KENNEDY. Would you suggest indirectly that it was excessive because he cooperated with you in any way?

Mr. TURNER. No; I meant to suggest he was indicted in spite of his answers.

Senator McNAMARA. In the second paragraph on page 2, you mention Mr. Crosby was a member of the city commission. How many members were on that commission?

Mr. TURNER. There were five.

Senator McNAMARA. Was he appointed by the mayor or by the council, or whatever you call your municipal body?

Mr. TURNER. He was appointed by the mayor.

Senator McNAMARA. He really represented the mayor in this situation.

Mr. TURNER. Well, sir, I would say that he represented the people of Portland.

Senator McNAMARA. By appointment of the mayor?

Mr. TURNER. Yes, sir.

Senator McNAMARA. That is all, thank you.

Senator ERVIN. I caught the deduction from your statement that Mr. Crosby was interested in selling to the city of Portland property in which he had an interest for use for this coliseum or stadium.

Mr. TURNER. I believe that is right; yes.

Senator ERVIN. At least that was the information you got from Mr. Elkins.

Mr. TURNER. Yes, sir; and from other sources.

The CHAIRMAN. Are there any other questions of this witness at the moment?

All right, Mr. Lambert, you may proceed to read your statement.

MR. LAMBERT. My name is William Lambert. I reside at 1567 Holly Street in West Linn, Oreg., a suburb of Portland. I have been a newspaperman for 12 years, the last 6 of which I have spent as a general assignment reporter for the Oregonian, a metropolitan daily newspaper in Portland. On a number of occasions, I have collaborated with Wallace Turner in the development of news stories of an investigative nature.

Mr. Turner and I were assigned early in March 1956, to make a thorough investigation of reports the Oregonian had received of an attempt by certain officials of the teamsters union and their underworld representatives to invade Portland's underworld and expand vice operations in our city. We have worked full time on this assignment since.

In a separate statement, Mr. Turner has detailed for this committee some of the circumstances leading up to our assignment to the story. I have read Mr. Turner's statement, and to save time I will not cover here the same areas he has discussed.

Mr. Turner's statement tells of instances of improper union activity that came to our attention. There is one he did not mention. It concerned the coin-machine industry, which repeatedly had been in the news because of a battle over whether the city would outlaw pinball devices. It was another of the incidents that led us to believe all was not proper in the teamsters union in our community. This was the situation: A Portland tavern operator bought a shuffleboard machine from a Seattle company to replace one he had been operating on a commission basis with its owner, a Portland coin-machine dealer. Soon after the machine was installed, pickets from the teamsters union appeared and shut off the tavern's beer deliveries. All other coin machines in the place were removed by their owners. Customers quit coming in. The tavern was almost bankrupt.

It developed that the trouble stemmed from a conspiracy between the union and an association of pinball dealers to monopolize the industry. No tavern owner was to be allowed to own his own machine. They had to rent them from particular persons, otherwise the union would step in and picket the offending tavern. And this is exactly what happened. To say the least, this obviously was not a legitimate labor dispute.

THE CHAIRMAN. Are you implying there or stating that in an effort to control these machines, the operation of these machines, a place of business would be picketed by the teamsters union members?

MR. LAMBERT. That is right, sir.

THE CHAIRMAN. In order to prevent the delivery of goods to that business?

MR. LAMBERT. That is right, sir.

THE CHAIRMAN. You said you did not think that was a legitimate union activity or interest.

MR. LAMBERT. It most certainly is not; in my judgment.

THE CHAIRMAN. In other words, it involved nothing with respect to labor, wages, or working conditions of the members but it was simply to undertake, and this is the implication I get from your statement, to force a monopoly.

MR. LAMBERT. That is exactly right, sir.

The CHAIRMAN. Proceed.

Mr. LAMBERT. There was some litigation in the Federal court concerning this particular case, which I am discussing. The court so held, that it was not a legitimate labor dispute.

Before we could complete our investigation, a series of incidents occurred which precipitated us into print with the findings of our probe. A series of articles was written by Mr. Turner and myself and published in the Oregonian. Soon afterward, the Governor of Oregon directed the attorney general to conduct a grand jury investigation of the matters we had detailed in our articles.

The grand jury sat for 2 months and finally indicted some of the individuals we had named in our series as conspirators. They included the district attorney, William M. Langley; the international organizer for the teamsters union in Oregon, Clyde C. Crosby; two Seattle racketeers who were intimates of key officials in the Western Conference of Teamsters; and James B. Elkins, a local racketeer.

The fact that we were short of time and facilities to make a complete investigation resulted in our covering only a portion of the labor racketeering situation existing in our city. For that reason we are pleased that this committee, with its efficient staff, is making a thorough investigation in Portland.

The State's investigation of the Portland situation has been hampered because Oregon statutes make no provision for a special grand jury to handle ramified investigations such as this. Typical of the problems growing out of this single grand jury system is the fact that the same grand jury has to handle criminal matters submitted to it by Mr. Langley, the district attorney who is under indictment, as well as matters presented by the attorney general, Robert Y. Thornton.

The CHAIRMAN. Do I understand that Mr. Langley, the present State district attorney, is a State official?

Mr. LAMBERT. Yes, sir.

The CHAIRMAN. He is presently under indictment and yet he is serving or continuing to serve in that office and presenting to the grand jury testimony to seek the indictment of the officers?

Mr. LAMBERT. That is right, sir.

And Mr. Thornton's presentations to the grand jury—he is the attorney general—in some instances have involved Mr. Langley. Mr. Langley was the accused.

Mr. Langley, who is charged with conspiring with underworld representatives of certain teamster union leaders to operate illegal enterprises, still is able to function as district attorney and use the power of his office in his own defense. In several instances he has brought about the indictment of persons listed as witnesses against him in criminal cases in which he is a defendant.

Our experiences in this investigation have made abundantly clear to us the need for new Federal legislation in the field of labor to reduce the opportunity now existing for racketeers to attain, and hold, positions of unbridled power in the labor movement.

Senator IVES. Mr. Chairman. At this point you are talking about new legislation. Would you mind giving an indication of what you have in mind in that subject?

Mr. LAMBERT. I am not a lawyer, sir.

Senator IVES. I am not either, but I am interested in labor legislation.

Mr. LAMBERT. We have discussed this, and we haven't made a thorough study of the thing. All we can see is that certainly as a layman there are situations existing which must be subject to correction by proper legislation. Where a labor union can empower its officials, as it has done in this teamsters union in our experience, so that those officials can dominate the membership, and dominate the individual members, they lose the democratic system in a labor union. This is a little incoherent, but I am a member of a labor union, the American Newspaper Guild, an honorable union. I know from having read the constitution and by-laws of my union that we have procedures set up for an appeal from unjust actions brought against us by leaders in our union. Whether such a thing exists in the teamsters, I am not sure. If it does exist on paper, it certainly, as indicated to us, does not exist in practice.

There may be some type of legislation which could correct that situation. I don't have anything specific.

Senator IVES. It is a little difficult to legislate in that field. That is why I raised the question.

Mr. LAMBERT. I appreciate that, sir.

Senator IVES. Thank you very much. If you have some ideas, I am sure we would appreciate knowing them.

Mr. LAMBERT. All right, sir.

I am convinced that this Senate select committee has within its grasp an opportunity to make a major contribution to the welfare of the general public, and particularly to the welfare of honest working people who hold membership in labor unions.

Labor racketeering, such as we encountered in our city, I am convinced, cannot survive public disclosure. The thousands of honest members of the teamsters union in the Northwest are entitled to know what some of their union officials have been doing in areas entirely unrelated to those of legitimate union works, and I believe they want to know.

The searching spotlight which this committee is turning on labor racketeering, I believe, will do much to remove these malignancies from organized labor. A complete detailing of the Portland story in these hearings will help other cities recognize the symptoms of conditions that arise when corrupt labor leaders, public officials, and racketeers conspire against the public interest.

The Chairman: Thank you very much, Mr. Lambert.

Are there any questions?

Senator KENNEDY. Regarding the Portland tavern owner-operator, do you know where those machines were being made; the coin machines?

Mr. LAMBERT. Which one, sir?

Senator KENNEDY. The shuffleboard machine that was from a Seattle company.

Mr. LAMBERT. I don't know where it was manufactured. It was distributed by a Seattle company called the American Shuffleboard Sales Co.

Senator KENNEDY. Do they do that for a number of taverns or just this one case that you named?

Mr. LAMBERT. I can't say for certain. I know there were attempts made at other taverns. I know of this one specific case.

Senator KENNEDY. Do you know if the tavern owner attempted to get an injunction against the union?

Mr. LAMBERT. He did, sir.

Senator KENNEDY. Was he successful?

Mr. LAMBERT. He got a preliminary injunction. What the status of the case is at this point, I am not sure.

Senator KENNEDY. Did the union desist after he secured the injunction?

Mr. LAMBERT. To the best of my knowledge, it did; yes.

Senator KENNEDY. Do you know if there was a conspiracy to take over these coin machines, or these shuffleboard machines, in Seattle, from this one case you have given? Is there evidence that this was a beginning of an attempt to take over all of the machines in Seattle by using the teamsters union as a weapon against the tavern owners?

Mr. LAMBERT. I do not know that, Senator.

Senator KENNEDY. Thank you.

Senator MUNDT. Mr. Chairman, I have a question. On page 2 you refer to a very incongruous situation in which you point out that Mr. Langley, the district attorney who is under indictment but still serving as the district attorney, was successful in securing indictments against some of the persons listed as witnesses against him. I was wondering whether some of the indictments secured against Mr. Elkins would fall in that category.

Mr. LAMBERT. They would, sir.

Senator MUNDT. Thank you.

The CHAIRMAN. All right; Mr. Kennedy, the chief counsel, will inquire.

Mr. KENNEDY. Going back to this tavern, what the tavern owner was trying to do was to buy a machine of his own; is that not correct?

Mr. LAMBERT. That is correct.

Mr. KENNEDY. And the union came in to prevent him from buying his own machine?

Mr. LAMBERT. That is exactly right.

Mr. KENNEDY. They would not allow him to own his own machine and to have his own machine in the tavern; is that right?

Mr. LAMBERT. That is right.

Mr. KENNEDY. And it was brought out in that case that this was the procedure that had been followed in Seattle?

Mr. LAMBERT. There was a mention of it.

Mr. KENNEDY. And that the union and the shuffleboard operators had a contract which provided that the union would step in whenever any tavern owner attempted to buy his own machine?

Mr. LAMBERT. That is right.

Mr. KENNEDY. And the picketing that went on was not active picketing, but it was just a teamster official sitting in an automobile in front of the tavern preventing any deliveries of beer; is that correct?

Mr. LAMBERT. That is correct.

Mr. KENNEDY. There are some pictures here.

The CHAIRMAN. Can you name that official?

Mr. LAMBERT. Frank Malloy.

The CHAIRMAN. As I understand you, he would park in front of the tavern and when anyone came up to make a delivery of beer or whatever delivery it was, he would refuse to permit them to deliver?

Mr. LAMBERT. That is right.

Mr. KENNEDY. We have two pictures here, one of Frank Malloy sitting in his car, with a beer truck about to drive up, and the second picture is him out of the car talking to the beer-truck driver.

The CHAIRMAN. Can the witness identify those pictures?

Mr. LAMBERT. I cannot identify them; I have not seen them. I can identify Mr. Malloy.

The CHAIRMAN. We will keep the pictures until we have some witness who can identify them.

Are there any further questions?

(The pictures referred to may be found in the files of the Select Committee.)

Senator KENNEDY. As this is prohibited under the Taft-Hartley Act, perhaps you could tell me why the local office of the National Labor Relations Board or the General Counsel was not successful in stopping it under the boycott provision.

Mr. LAMBERT. I am not sure. As I recall the Federal court case, they sought the injunction on the ground that the procedure being used was a violation of the antitrust statutes. The court in its memorandum which accompanied its order granting the preliminary injunction, set forth some very interesting language, pointing out that it was clearly in violation of the antitrust statutes, and that the procedure followed by the union in collusion with the association of coin machine people was in restraint of trade or commerce, and then used this language, that it definitely was not a legitimate labor dispute.

Now, what the NLRB did in connection with it, I don't recall. I don't know of anything that was done.

Senator KENNEDY. I am trying to find out why it was not stopped under the Taft-Hartley Act which prohibits that kind of a boycott.

Mr. LAMBERT. I don't know.

Senator IVES. May I interrupt there, Senator Kennedy? It occurs to me that possibly the jurisdiction did not exist, and it did not have the authority as the dispute was too small. There is a limitation on that, and I am inclined to think that would apply in a situation of this kind.

Mr. LAMBERT. I do not know.

Senator IVES. It is not interstate.

Senator KENNEDY. If the machines came across State lines, it would seem to me that it would be.

Senator IVES. There is a limitation that they have set as to the size of the employer, and how much business is involved in dollars. I have forgotten how much it is. I do not think it would come under that test of jurisdiction.

The CHAIRMAN. Is there any further question?

Senator GOLDWATER. I would like to ask the witness, pursuing this story, have you found any evidence of any of these gentlemen being active in local or county or State politics?

Mr. LAMBERT. A number of them, sir.

Senator GOLDWATER. Were the teamsters, as such, active in the politics of those three subdivisions?

Mr. LAMBERT. Very active, yes.

Senator GOLDWATER. Were they active to the extent of backing particular candidates?

Mr. LAMBERT. That is right, sir, and I am sure that the committee's counsel has witnesses under subpoena who will detail that.

Senator GOLDWATER. In your study of this case, could you determine whether or not the unions backed these candidates with money?

Mr. LAMBERT. They did, sir, and in one instance they financed the entire campaign of one of the candidates for the city council. In his reporting under the State statutes, he reported that all of his financing came from the teamsters union.

Senator GOLDWATER. Well, I will not ask further questions at this time. Thank you very much.

Senator ERVIN. I would like to ask a question. Was Frank Malloy an official of the city of Portland as well as an official of the teamsters union?

Mr. LAMBERT. No, he was not. He was an official of the teamsters union.

Senator McNAMARA. I think properly this question should be directed to the other witness rather than the present one, Mr. Turner. This question of support of public officials by these people has been brought up. Was the mayor who appointed this man to the commission you referred to supported by the teamsters union officials?

Mr. TURNER. It is my recollection, sir, that he was so supported in 1952.

The CHAIRMAN. Can you speak a little louder, Mr. Turner?

Mr. TURNER. It is my recollection that in 1952 the teamsters union did support that man, yes.

Senator McNAMARA. Was he endorsed by your newspaper or not?

Mr. TURNER. In 1952 when he won, he was not. In 1956 when he lost, he was.

Senator McNAMARA. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions on my right? Mr. Chief Counsel, do you have any further questions?

Mr. KENNEDY. No.

The CHAIRMAN. Thank you very much. You will remain under your present subpoena, subject to call for further testimony.

On behalf of the committee we express our appreciation to you. You have been very helpful throughout the preliminary work, and helpful to the staff, and helpful to all of us.

We would very much appreciate it if you will stand by, and your further testimony may be needed.

At any time, however, that the chief counsel of the committee tells you that you are released from your subpoena, you may accept that as being from the chairman.

Mr. TURNER. Thank you.

Mr. LAMBERT. Thank you.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. A. J. Ruhl, secretary-treasurer of Local 690, Brotherhood of Teamsters.

(Present in the hearing room were Senators McClellan, Ives, Kennedy, Ervin, McNamara, Mundt, and Goldwater.)

The CHAIRMAN. Will you be sworn, please? Do you solemnly swear that the evidence you shall give before this Senate select committee

shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. RUHL. I do.

TESTIMONY OF ALBERT J. RUHL

The CHAIRMAN. Mr. Ruhl, state your name, your place of residence, and your business or occupation, please, sir.

Mr. RUHL. Albert J. Ruhl, 3511 West Euclid Avenue, Spokane, secretary of the Teamsters Local 690.

The CHAIRMAN. How long have you been secretary of that union?

Mr. RUHL. I think probably 32 years.

The CHAIRMAN. About 32 years?

Mr. RUHL. Yes, sir.

The CHAIRMAN. You are familiar with the rules of the committee, I am sure, that entitles you to have counsel present if you desire, to advise you respecting your legal rights while you testify?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Have you arranged for your counsel or do you waive counsel?

Mr. RUHL. I have not arranged for counsel.

The CHAIRMAN. You waive counsel?

Mr. RUHL. Yes.

The CHAIRMAN. All right, proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Ruhl, you have been discussing this matter with Mr. Selinger out in Spokane, have you not?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. You have discussed it with me and other members of the staff since you arrived here?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Now, you are familiar with Mr. Tom Maloney and you know Mr. Tom Maloney?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. How did you first meet Tom Maloney?

Mr. RUHL. I met him in Seattle about 1946 or 1947.

Mr. KENNEDY. What was he doing at that time?

Mr. RUHL. I do not know whether he was doing anything or not. I was going out to the racetrack on a Sunday morning or Monday morning and Mr. Evans was to pick me up and he called me up and said Tom Maloney would pick me up.

I didn't know who Tom Maloney was, but after I saw him I had seen him a couple of times.

Mr. KENNEDY. Did you see him over a period of time after that?

Mr. RUHL. No.

Mr. KENNEDY. Not frequently?

Mr. RUHL. Now and then.

Mr. KENNEDY. Just now and then?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Did you know him to be a very close friend of Mr. Frank Brewster?

Mr. RUHL. Yes.

Mr. KENNEDY. Who is Mr. Frank Brewster?

Mr. RUHL. He was secretary at that time of Teamsters Local 174, secretary of the Joint Council 28.

Mr. KENNEDY. What is he?

Mr. RUHL. Secretary of Joint Council 28.

Mr. KENNEDY. Which is in Seattle, Wash.?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. You understood that he was a very close friend of Mr. Frank Brewster.

Mr. RUHL. That is right.

Mr. KENNEDY. Now, about a year after you met Mr. Tom Maloney, did he come to you and request a loan from your union?

Mr. RUHL. It was some time either a year or a half later.

Mr. KENNEDY. During 1948?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. And he requested a loan?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. What was the purpose of the loan?

Mr. RUHL. He had been opening a place in Spokane called Maloney's Sport Center.

Mr. KENNEDY. What was to be in the Maloney Sport Center?

Mr. RUHL. A cigar counter in there, and a restaurant in there, and a beer bar, and a card room in the back end, and baseball pool, and football pool, and blackboard.

Mr. KENNEDY. And a blackboard?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Were they taking horse bets in there, too?

Mr. RUHL. I don't know that.

Mr. KENNEDY. Did you understand that was a fact?

Mr. RUHL. Was it?

Mr. KENNEDY. Did you understand that to be a fact?

Mr. RUHL. I understood they were.

Mr. KENNEDY. So it was a beer parlor and a gambling place, is that right?

Mr. RUHL. I believe you would call it that.

Mr. KENNEDY. Now, Mr. Tom Maloney came to you and requested that the union make a loan for him to get into that business, is that right?

Mr. RUHL. No, not to get into it. He had started the business, but before he got it open, he ran out of money.

Mr. KENNEDY. He wanted the money?

Mr. RUHL. He ran out of money, and he asked me to let him have \$3,900.

Mr. KENNEDY. What did you say to him at that time?

Mr. RUHL. I told him I couldn't do it.

Mr. KENNEDY. Had it been the practice of your union to make loans to people?

Mr. RUHL. No, sir.

Mr. KENNEDY. Had the union made any loans prior to that time?

Mr. RUHL. I don't think so.

Mr. KENNEDY. You had not.

Mr. RUHL. No, sir.

Mr. KENNEDY. So you turned Mr. Tom Maloney down, is that right?

Mr. RUHL. The first time he asked me; yes.

Mr. KENNEDY. You did not feel that it was a proper kind of loan for your union to make?

Mr. RUHL. I think so.

Mr. KENNEDY. Did you ever loan the money to him?

Mr. RUHL. I did.

Mr. KENNEDY. For what reason did you ultimately loan him the money.

Mr. RUHL. He couldn't open his place, and I took it up with members of my board and told them about it, that he would be willing to give me the deed on the house in Edmonds, Wash., for security. They told me if I thought it was O. K. to let him have the money.

Mr. KENNEDY. Did you ever discuss it with anyone else, Mr. Ruhl?

Mr. RUHL. I think that I discussed it with Mr. Brewster; yes.

Mr. KENNEDY. What did Mr. Frank Brewster tell you?

Mr. RUHL. He told me to help him out.

Mr. KENNEDY. Now, have you the minutes of the meeting where you discussed this with your board?

Mr. RUHL. No; I haven't.

Mr. KENNEDY. Does it appear in the minutes of your meeting that you ever discussed this with the board members?

Mr. RUHL. Well, that was back in 1948, and I don't have any minutes further than 1950.

Mr. KENNEDY. You do not have those minutes anymore?

Mr. RUHL. No.

Mr. KENNEDY. What became of those minutes?

Mr. RUHL. They were in a book, and those are the books, and I have two organizations over there and the minutes of the Building Temple Association are there.

Mr. KENNEDY. Did that show up that you discussed this matter with your board members? Does it show up in the minutes?

Mr. RUHL. No.

Mr. KENNEDY. Would you explain to the committee why it does not show up?

Mr. RUHL. Could I explain?

Mr. KENNEDY. Yes.

Mr. RUHL. Well, I think it got so it was in a hurry, and I called as many members of the board as I could together, and I took it up with them, and they told me to go ahead and let him have it as long as I had security.

Mr. KENNEDY. For what reason was there a hurry on it?

Mr. RUHL. He wanted to get his place opened.

Mr. KENNEDY. It was not your usual practice to make loans, was it?

Mr. RUHL. No; it was not.

Mr. KENNEDY. And you were in a hurry to loan this \$3,900 to somebody who wanted to open a card room and a gambling place?

Mr. RUHL. I wasn't in a hurry.

Mr. KENNEDY. Who was?

Mr. RUHL. He was in a hurry.

Mr. KENNEDY. Was he such a big figure there in Spokane that you were in a hurry?

Mr. RUHL. I don't think so; I just felt sorry for him.

Mr. KENNEDY. Was it also because of his association with Frank Brewster?

Mr. RUHL. I think so.

Mr. KENNEDY. Was that an important factor?

Mr. RUHL. I think so.

Mr. KENNEDY. When you loaned him the money, the \$3,900, was there any provision made for any interest?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. What provisions were made?

Mr. RUHL. I think that he agreed to give me \$350 interest.

Mr. KENNEDY. You think that he did?

Mr. RUHL. I am sure that he did.

Mr. KENNEDY. Now, last night I talked to you about a quarter of eleven. First let us go through this, Mr. Ruhl. The first time our staff investigators interviewed you, you said that this had been a personal loan, is that correct?

You said that the loan had gone to Mr. Maloney as a personal loan.

Mr. RUHL. No; I don't think that I said that. I just said I loaned him money, and I didn't say whether it was me or the union.

Mr. KENNEDY. Then, the second time when we sent another investigator out there to see you, you said that the loan was unsecured and was without interest.

Mr. RUHL. That is right.

Mr. KENNEDY. Now, you have since found out that the loan was secured and you had forgotten that.

Mr. RUHL. Well, that night that he was out to my house, I didn't think about it, and the next morning I did tell Mr. Selinger that after talking with a couple of the fellows who were in the building, the recording secretary and one trustee, that we did have the deed to his house.

Mr. KENNEDY. What were the names of the people that refreshed your recollection?

Mr. RUHL. J. E. Woodley and George Bowman.

Mr. KENNEDY. And they refreshed your recollection as to the fact that Mr. Maloney put up a house, the deed of a house?

Mr. RUHL. That is right.

Mr. KENNEDY. What about the interest? When did it come to you or occur to you that there was interest paid?

Mr. RUHL. When I talked to Selinger, I didn't think that I had the interest, and the books in the building didn't show it. I was pretty sure that he had paid me sometime later. I went through some other books around there, and I find that there is an item of \$350 on the teamsters books, local 690.

Mr. KENNEDY. Which is a different union?

Mr. RUHL. Well, it is the same union. That union owns the building.

Mr. KENNEDY. When I talked to you last night, you said that you did not think that \$350 was interest; is that right?

Mr. RUHL. I wasn't sure.

Mr. KENNEDY. Well, let us go through the conversation. Didn't you say maybe you put the \$350 in yourself?

Mr. RUHL. I said either he gave it to me or I put it in.

Mr. KENNEDY. Can you remember whether you put it in or whether he put it in?

Mr. RUHL. I am pretty sure that he gave it to me.

Mr. KENNEDY. Why did you think it is possible that you might have put in yourself?

Mr. RUHL. Well, I think I was trying to be fair with the union. If he hadn't paid me, I would have paid it.

Mr. KENNEDY. Was there anything or any note that indicated that there was to be \$350 paid?

Mr. RUHL. It was on the note that I have from him; yes.

Mr. KENNEDY. Do you have a copy of that note?

Mr. RUHL. No; I don't.

Mr. KENNEDY. When did you destroy that note?

Mr. RUHL. I think probably 4 or 6 months ago.

Mr. KENNEDY. For what reason did you destroy it?

Mr. RUHL. Well, there wasn't any reason. It was laying in the safe and I just picked it up and threw it out.

Mr. KENNEDY. If you didn't know this man very well, why would you have taken \$350 out of your own pocket and put it in?

Mr. RUHL. I am not saying that I did take it out of my pocket. I am pretty sure that he paid it.

Mr. KENNEDY. You were pretty sure last night that you had paid it.

Mr. RUHL. I said that I might have.

Mr. KENNEDY. Weren't you pretty sure about that last night, Mr. Ruhl, when you were talking in the hallway with me, that this \$350 had nothing to do with it? Isn't that true? And you said the \$350 had nothing to do with Tom Maloney. Didn't you tell us that, Mr. Ruhl?

Mr. RUHL. I don't think so, and I think that I tried to tell you it was interest.

Mr. KENNEDY. You tried to tell us it was interest that was paid by Mr. Maloney?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Are you sure of that?

Mr. RUHL. I am sure of it.

Mr. KENNEDY. Now, do you know that that \$350 was paid by Tom Maloney?

Mr. RUHL. I am sure it was, now.

Mr. KENNEDY. You are sure you didn't put it in?

Mr. RUHL. I am sure of that.

Mr. KENNEDY. You are surer now than you were 10 minutes ago when you didn't know where it came from.

Mr. RUHL. I am sure it came from Maloney.

Mr. KENNEDY. Now, he paid that interest in 1949, did he?

Mr. RUHL. December 8, 1949.

Mr. KENNEDY. And you have on your books that this whole matter was cleared up in 1948, and then he came back in 1949 and paid \$350.

Mr. RUHL. Everything was cleared up with the exception of that interest in 1948.

Mr. KENNEDY. Do you have anything in your books indicating you were waiting for \$350?

Mr. RUHL. What is it?

Mr. KENNEDY. Do you have anything in your books or anything in your records indicating that you expected \$350?

Mr. RUHL. No; I haven't.

Mr. KENNEDY. Doesn't it say that the whole transaction is ended in 1948?

Mr. RUHL. I don't think it says anything about when it ended.

Mr. KENNEDY. Do you have anything that indicates that you expected \$350 more?

Mr. RUHL. No; I haven't.

Mr. KENNEDY. Did you also tell us that \$1,500 was in some other books when you were talking to us about it last night?

Mr. RUHL. Yes; I told you that \$1,500 was in local 690's books as of the date of May 26, and I paid it back into the Temple Association on November 24, 1948.

Mr. KENNEDY. Did you tell us that you had misled us during the evening about the \$1,500?

Mr. RUHL. Did I what?

Mr. KENNEDY. That you had misled us about the \$1,500.

Mr. RUHL. No; I had the date wrong and I told you it was November 24, 1949, which it wasn't.

Mr. KENNEDY. Maybe we could get all of these records in, Mr. Chairman.

The CHAIRMAN. May I ask the witness a question or two?

When was the loan made to Mr. Maloney?

Mr. RUHL. Sometime in June of 1948.

The CHAIRMAN. Sometime in June of 1948?

Mr. RUHL. Yes, sir.

The CHAIRMAN. At that time, you took a deed to some property to secure the loan; is that correct?

Mr. RUHL. Yes, sir.

The CHAIRMAN. How was the deed made out; to whom?

Mr. RUHL. The deed was made out to Thomas Maloney.

The CHAIRMAN. The deed was made out to Thomas Maloney. He is the fellow borrowing the money.

Mr. RUHL. Yes, sir.

The CHAIRMAN. How would that give you security, a deed made out to him?

Mr. RUHL. He couldn't sell the house until I got my money.

The CHAIRMAN. What I am trying to determine was this: You loaned union money, did you?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Out of the union treasury?

Mr. RUHL. Yes, sir.

The CHAIRMAN. That is money that is received from members for their dues.

Mr. RUHL. Yes, sir.

The CHAIRMAN. Legitimate union funds; is that correct?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Now, whom, did you take the deed to when you loaned him the money out of union funds?

Mr. RUHL. The deed was in our safe at the building.

The CHAIRMAN. Well, whom was it made to? When you deed property, you deed it to someone. Whom did he deed the property to?

Mr. RUHL. He just gave me the deed to his property.

The CHAIRMAN. I could hand you a deed to anything and it would not be any security unless it was deeded to the man that I received the money from.

Mr. RUHL. That is the way it was. There wasn't anything made out. I just held the deed to his house.

The CHAIRMAN. You just held the deed to his house and he did not actually make a deed to secure this indebtedness, did he?

Mr. RUHL. He just gave me that deed.

The CHAIRMAN. He just handed you a deed that he had on his home; is that all?

Mr. RUHL. That is right.

The CHAIRMAN. But he made no deed or he gave you no instrument of securing that loan except handing you his deed to his own piece of property?

Mr. RUHL. That is all, and he gave me that deed.

The CHAIRMAN. There was never any instrument recorded showing that this loan was made out of the union funds and that he had given security for it?

Mr. RUHL. No, sir.

The CHAIRMAN. There never was?

Mr. RUHL. No, sir.

The CHAIRMAN. Now, did your union members know that this loan was made and did you report it to the union membership?

Mr. RUHL. To the building committee.

The CHAIRMAN. I am not talking about the committee. Did you give any financial reporting to the members of your union that you had loaned this money to start a beer joint and a gambling house out of union funds?

Mr. RUHL. Just to the committee, the executive board.

The CHAIRMAN. The rank and file of the members never knew it?

Mr. RUHL. The rank and file are not in the building association.

The CHAIRMAN. They are the ones who are paying the dues and they have a little interest in it.

Mr. RUHL. That is right.

The CHAIRMAN. It was their money that you loaned, the money you were holding as trustee for the dues-paying members of the organization.

Mr. RUHL. That is right.

The CHAIRMAN. And those who had paid the dues, except the committee, never knew that their money was being used to start a beer joint and a gambling house, did they?

Mr. RUHL. I believe they did. I think on the yearly statement it was read and I read it to them every year.

The CHAIRMAN. Are you sure of that?

Mr. RUHL. I am positive of it.

The CHAIRMAN. Do you have any record of it?

Mr. RUHL. I have the records there. It comes from the building where I read everything.

The CHAIRMAN. Is that record lost or do you have it?

Mr. RUHL. I have the record here from 1948 on, everything that is done in that building association.

The CHAIRMAN. Is there anything further?

Senator IVES. Mr. Ruhl; I would like to ask you a couple of questions and maybe more than that. Does the constitution or charter of your union require that minutes be kept?

Mr. RUHL. Yes, sir.

Senator IVES. You keep all of these minutes and yet you are having something here about which there were no minutes, is that right?

Mr. RUHL. I am saying that I just talked it over with four members of the board; yes.

Senator IVES. You were violating your charter, were you not, your constitution in doing that?

Mr. RUHL. I didn't keep the minutes and I don't know why they weren't done.

Senator IVES. No minutes were kept?

Mr. RUHL. That is right.

Senator IVES. Another thing I want to ask you is this: Does your constitution and charter restrict the investment of union moneys?

Mr. RUHL. Does it?

Senator IVES. Does it.

Mr. RUHL. No, sir.

Senator IVES. It does not say anything about the use of your union moneys at all?

Mr. RUHL. What is it?

Senator IVES. It does not indicate in any way, shape, or manner how the union money shall be kept, and what shall be done with it?

Mr. RUHL. It says to be put into a bank, yes, and records kept.

Senator IVES. You have to put them somewhere but there is no restrictions there and you can do what you want to with them?

Mr. RUHL. There isn't any restriction of what you can do with the money.

Senator IVES. That is a funny charter. What is the temple association you mention?

Mr. RUHL. The temple association was organized when I built the building. It is called the Union Teamsters Temple Association and we donated money from local 690 to build the building. Besides that, I borrowed some money.

Senator IVES. That was authorized, I take it, by the union itself and the union members, is that right?

Mr. RUHL. That was in a meeting and we couldn't build a building without taking it up with them.

Senator IVES. You just loaned \$3,900 that you are talking about without taking it up with them.

Mr. RUHL. I just took it up with the board, that is all.

Senator IVES. Thank you very much.

Senator MUNDT. I have one other question. When Mr. Maloney first came to you and said, "I would like to have \$3,900," you said you turned him down first, is that right?

Mr. RUHL. The first time I think so.

Senator MUNDT. I would like to know why he came to you in the first instance and what he said to try to persuade you to loan it to him before you turned him down. Why did he come to you instead of to a bank?

Mr. RUHL. I don't presume he could have gotten it from a bank, he wasn't acquainted in Spokane and I think I was about the only one he knew in Spokane.

Senator MUNDT. You were the only man he knew in Spokane?

Mr. RUHL. I think I was about the only one he knew.

Senator MUNDT. Did you know him pretty intimately or pretty well?

Mr. RUHL. I had known him for about 2 years by that time.

Senator MUNDT. You had frequent contact with him and close association?

Mr. RUHL. Quite a few and he came over to Seattle off and on, and he always saw me.

Senator MUNDT. Did he offer to give you security the first time he approached you for the loan?

Mr. RUHL. I think he told me he would let me have that deed to the house.

Senator MUNDT. Of course, holding a deed to the house is like holding a stone. That is not any good. He can get a good deed. Did he give you any note of any kind?

Mr. RUHL. He had a signed note.

Senator MUNDT. Did you have it on the mortgage?

Mr. RUHL. No, sir.

Senator MUNDT. You had his signature, plus a piece of paper that he could reproduce with any attorney for \$10.

Mr. RUHL. I just had the deed, and the note.

Senator GOLDWATER. Might I pursue this one point before you get off it?

Mr. Ruhl, what is your capacity with your local?

Mr. RUHL. I am secretary-treasurer.

Senator GOLDWATER. What was the number of the local?

Mr. RUHL. 690.

Senator GOLDWATER. Could you tell us what the assets or worth of the local was at the time this transaction took place?

Mr. RUHL. What the assets of our local were?

Senator GOLDWATER. Yes.

Mr. RUHL. I think that we had in the neighborhood of probably one hundred to two hundred thousands dollars.

Senator GOLDWATER. One hundred to two hundred thousand dollars. How much did you have in this temple building association?

Mr. RUHL. I think that building association has always been up to about fifty or sixty thousand dollars.

Senator GOLDWATER. How do you transfer funds from the general fund of the local to the temple building association? Is that done by a vote of the local membership?

Mr. RUHL. All the money is donated to the building association from local 690.

Senator GOLDWATER. But is it done by vote of the membership?

Mr. RUHL. It comes by vote of the executive board.

Senator GOLDWATER. How many men are on the executive board?

Mr. RUHL. Seven.

Senator GOLDWATER. Would it be possible for the entire assets of the local to be transferred to the building association without the members knowing about it?

Mr. RUHL. I don't think so.

Senator GOLDWATER. Well, if seven men can do it—how many members do you have in the association?

Mr. RUHL. Probably about 3,000 now.

Senator GOLDWATER. Seven men could in effect transfer the total assets of that local into the building association, is that correct?

Mr. RUHL. The executive board has power to act between meetings; yes, sir.

Senator GOLDWATER. Does your constitution give that power to the executive committee?

Mr. RUHL. Yes, sir.

Senator GOLDWATER. Could you transfer this money to a political campaign?

Mr. RUHL. No, sir.

Senator GOLDWATER. But you can transfer any sums that you want to from the general fund into the temple association?

Mr. RUHL. Yes. In 1956 we added another story to it. I just transferred another \$50,000 to the temple association, to build the second story. I think the temple association was down to around about \$39,000, and from what investigation we made the building was going to cost around 60. We had a meeting on that and transferred \$50,000 from teamsters local funds to the building association.

Senator GOLDWATER. Who administers the temple association?

Mr. RUHL. I do.

Senator GOLDWATER. And other members?

Mr. RUHL. The executive board.

Senator GOLDWATER. The same executive board of the union, of the local?

Mr. RUHL. No. There are 3 members of the union's executive board and 4 others elected.

Senator GOLDWATER. They are elected by the membership at large?

Mr. RUHL. Of the temple association; yes.

Senator GOLDWATER. But the executive board of the temple association is not the same as the executive board of the local?

Mr. RUHL. What is it?

Senator GOLDWATER. The executive board of the temple association is not the same as the executive board of the local?

Mr. RUHL. Only 3 members of it.

Senator GOLDWATER. What control does your constitution give the general membership over the decisions of this executive board of the temple association?

Mr. RUHL. I think that the bylaws state that the executive board shall have power to act between meetings.

Senator GOLDWATER. One more question. Since you have held this office of secretary and treasurer, have there been any contributions made to political parties by either the temple association or the local itself?

Mr. RUHL. No, sir.

Senator GOLDWATER. No contributions to political parties?

Mr. RUHL. No, sir.

Senator GOLDWATER. That is all I have.

The CHAIRMAN. Mr. Counsel, do you expect now to go into some records?

Mr. KENNEDY. Yes, sir; I do.

The CHAIRMAN. Mr. Adlerman of the staff is going to assist in the presentation?

Mr. KENNEDY. Yes, sir.

(Members present at this point: The chairman, Senators Ives, Kennedy, Ervin, McNamara, Mundt, and Goldwater.)

The CHAIRMAN. Mr. Adlerman, would you be sworn, please?

You do solemnly swear that the evidence you shall give before this Select Senate Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ADLERMAN. I do.

TESTIMONY OF JEROME ADLERMAN

The CHAIRMAN. State your name, your place of residence, and your present employment.

Mr. ADLERMAN. My name is Jerome Adlerman. I reside in Arlington, Va. I am assistant counsel to the Senate Select Committee.

The CHAIRMAN. You have been on the staff for quite a long time of the Senate Permanent Investigating Subcommittee?

Mr. ADLERMAN. Yes, sir.

The CHAIRMAN. You have been assisting in the investigation of the matter before the committee today?

Mr. ADLERMAN. That is right.

The CHAIRMAN. You have certain records before you. Are they photostatic copies of records?

Mr. ADLERMAN. I do, sir.

The CHAIRMAN. Mr. Counsel, you may proceed, and Mr. Adlerman may assist you in presenting records.

Mr. KENNEDY. Mr. Adlerman, do you have some records here that you can show Mr. Ruhl which indicates the loan made and the date of the loan?

Mr. ADLERMAN. I do, sir.

The CHAIRMAN. As you present a record to the witness, will you identify the record and state exactly what it is?

Mr. ADLERMAN. All right. I have a record here, a ledger sheet, I believe, or a journal sheet, which has a No. 99 typed in the very left-hand corner, and it is entitled "Teamsters Union Temple Association, July 1948." It contains several items, a list of several items of account, and under the date of July 24, 1948, there is an entry "Tom Maloney, Sports Center," and then there is a figure 656, which probably is a check or a number of the check, I imagine. I don't know. And then a credit of \$3,900.

The CHAIRMAN. Is that a photostatic copy of a ledger sheet?

Mr. ADLERMAN. This is a photostatic copy.

The CHAIRMAN. It may be presented to the witness and identified. (Document handed to witness.)

The CHAIRMAN. Will the witness identify that photostatic copy as accurate with respect to the records?

Mr. RUHL. Yes, sir.

The CHAIRMAN. That is, the records you have been testifying about?

Mr. RUHL. Yes, sir.

The CHAIRMAN. That photostatic copy will be made exhibit No. 1.

(The document referred to was marked "Exhibit No. 1" for reference and will be found in the appendix on p. 347.)

Mr. KENNEDY. Mr. Adlerman, do you have the journal sheet showing the repayment of the loan?

Mr. ADLERMAN. Yes. I have a journal sheet entitled "Teamsters Union Temple Association; name, Tom Maloney; address, Sports Center," and the date, 1948, July 24, folio 99, showing a debit of \$3,900, and a balance showing \$3,900.

On September 29, 1948, folio 101 shows a credit of \$1,500. October 31, folio No. 102 shows a credit of \$1,000. November 24, folio 103 shows a credit of \$1,500. Alongside and just beneath that \$1,500, where the balance figures are contained, are two drawn lines, which

indicate that the account probably was closed. Underneath that, or just below that, are two check marks where the dates are set forth, leaving the dates blank, and folio 103 showing a debit of \$100.

The CHAIRMAN. Does the witness Ruhl identify that document as a photostatic copy of the original records?

(Document handed to witness.)

Mr. RUHL. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 2.

(The document referred to was marked "Exhibit No. 2" for reference and will be found in the appendix on p. 348.)

Mr. KENNEDY. I want to ask a question about that.

Evidently Mr. Maloney paid \$4,000 back and he should only have paid \$3,900?

Mr. RUHL. When Sloniger went down to get the books from this bookkeeper, he stated this \$100 was interest.

Mr. KENNEDY. Then why did you give him credit for the \$100?

Mr. RUHL. I don't keep these books. I don't know why it is there.

Mr. KENNEDY. Let me ask you again.

Mr. RUHL. There may be an error.

Mr. KENNEDY. If that \$100 is not a credit, what is the \$350 in your other books?

Mr. RUHL. That is what I think is the interest.

Mr. KENNEDY. Wait a minute. That is \$100 there plus \$350 in the other books. That is \$450 interest he paid.

Mr. RUHL. Right, if this \$100 is interest.

Mr. KENNEDY. But what was the provision? You said he was supposed to pay \$350. Did he pay \$450 interest?

Mr. RUHL. Well, I don't think so. But I also can't account for this \$100 on the books here.

Mr. KENNEDY. Does that not appear in the books, that that \$100 was repaid to Tom Maloney?

Mr. RUHL. He has it down here as a debit.

Yes, paid to Maloney.

Mr. KENNEDY. Why would you repay \$100 if he wanted \$350 interest?

Mr. RUHL. I can't answer that.

Mr. KENNEDY. I don't want to labor this matter, but last night we had a rather frank discussion about why you had told us this story originally. You will remember you talked about \$1,500 that appeared in another book and you told us that that \$1,500 was part of the repayment.

Do you remember telling us that?

Mr. RUHL. Right.

Mr. KENNEDY. Then you told us that that was a lie, that you had talked to us falsely.

Do you remember that?

Mr. RUHL. No. I don't think so. I think you fellows were trying to make me tell that that wasn't a payment on the building.

Mr. KENNEDY. All right, Mr. Ruhl.

Did you also discuss the fact, and we do not have to get into names, that there was a girl and a man that worked for the teamsters that had embezzled some of your funds?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. And that you had kept that from the membership and from the members of the board, is that right?

Mr. RUHL. I think there is four members of the board that knows it. She signed an affidavit and I think four members have a copy of that affidavit, including myself.

Mr. KENNEDY. Did you tell us last night that only you and the girl knew about it?

Mr. RUHL. I think I mentioned that.

Mr. KENNEDY. It is a little confusing to try to keep up with it, Mr. Ruhl.

Mr. RUHL. I know, but some of these things are way back.

Mr. KENNEDY. Then you told us the \$1,500 in 1949 that appeared in the books of local 690 had been for Tom Maloney repaying the debt. Then we asked you why it was written off in 1948 and then you said that \$1,500 had something to do with this girl repaying \$5,000 that she stole.

Mr. RUHL. Well, it doesn't have anything to do with it. It has to do with the payment on Maloney.

Mr. KENNEDY. That figure of \$1,500 appears in 1949 in local 690, and that book is closed in 1948.

Mr. RUHL. It shows in 1948. Last night I told you 1949, but it shows 1948 on the books.

Mr. KENNEDY. Why did you bring up the fact that the girl had stolen the \$5,000 if it didn't have something to do with the \$1,500 in the other books?

Mr. RUHL. Well, there is such a case, and it is on these books. Not on these books, but on those folios that I brought from the Temple Association. It states that.

Mr. KENNEDY. You did not tell Mr. Calabrese and myself in the hall that you had made this whole story up?

Mr. RUHL. No, I didn't tell you that.

Mr. KENNEDY. You did not say anything about that?

Mr. RUHL. I told you she was involved with the business agent and the money disappeared. At the time that came up, we bought a cash register, a National Cash Register bookkeeping machine, and I asked her to get the book ready, and that is when I was going to get the auditor, the same man who kept the books for the Temple Association, to audit the books for the union. I said "You have the books ready."

Mr. KENNEDY. How long have you been in the union?

Mr. RUHL. Have I?

Mr. KENNEDY. Yes.

Mr. RUHL. Ever since World War I, 1919.

Mr. KENNEDY. And you are to be retired in about a year and a half, or you can get your retirement in a year and a half?

Mr. RUHL. The balance of this year and next year.

Mr. KENNEDY. Did you mention anything to us about any fear that you might have on the testimony that you would give before the committee?

Mr. RUHL. Did I what?

Mr. KENNEDY. Mention any fear that you might have from Mr. Dave Beck or Mr. Frank Brewster regarding the testimony that you were going to give before this committee?

Mr. RUHL. I think I mentioned it. You asked me if they could do anything, and I said probably Mr. Beck could, yes.

Mr. KENNEDY. I am not going to go again into detail of that, Mr. Ruhl, but you have been less than frank about our conversation.

The CHAIRMAN. Let me ask you now: Do you have any fear that if you testify here truthfully that some reprisals may be invoked against you?

Mr. RUHL. Do I have any fear now? No, I don't have any fear right now.

The CHAIRMAN. You think you are well protected as long as you are in the presence of the committee. How about when you get out of the presence of the committee? Do you have any fear about that?

Mr. RUHL. No, I don't think I have any exactly fear. I would hate to lose my job when I am so close to retirement.

The CHAIRMAN. So there is the possibility, then, in your own mind, that your testimony here, if you testify truthfully and factually, that you may have to in some way suffer for doing so?

Mr. RUHL. I may.

The CHAIRMAN. You do entertain such a fear? Just be honest. Yes or no.

Mr. RUHL. Well, I will say "Yes."

The CHAIRMAN. All right. Let us proceed.

Mr. KENNEDY. Let me ask you this: The records show that the loan was repaid in 1948.

Mr. RUHL. Right.

Mr. KENNEDY. Was the loan repaid in 1948?

Mr. RUHL. Yes.

Mr. KENNEDY. You know that to be a fact?

Mr. RUHL. Yes.

Mr. KENNEDY. You told us also that you had spoken to Mr. Frank Brewster about the fact that the loan had not been repaid or some part of it had not been repaid?

Mr. RUHL. I think that was the \$350.

Mr. KENNEDY. \$350 that you thought earlier, when we talked to you, you might have given out of your own pocket?

Mr. RUHL. I thought maybe I might have, yes.

Mr. KENNEDY. Can we go on to two other loans that the union has made?

The CHAIRMAN. You may proceed.

Mr. KENNEDY. How many loans has the union made altogether?

Mr. RUHL. It made one to this girl, one to Sam Sellinas.

Mr. KENNEDY. In point of time, just through the whole period of time, how many loans have you made? You made a loan to the girl, you made a loan to Tom Maloney, and you made two other loans?

Mr. RUHL. Four loans.

Mr. KENNEDY. Would you discuss those two loans with us? First, on the loan to Mr. Richard Klinge. Will you tell us what happened on that?

Mr. RUHL. I don't remember the date of it.

Mr. KENNEDY. Did Mr. Richard Klinge speak to you?

Mr. RUHL. He called me on the phone and asked me if he could borrow \$30,000 from our local union.

Mr. KENNEDY. What did he want to do with that \$30,000?

Mr. RUHL. He didn't state to me.

Mr. KENNEDY. Did you understand that he wanted to open a tavern in Seattle?

Mr. RUHL. No, I didn't.

Mr. KENNEDY. Did you ever find that out?

Mr. RUHL. I know he has a tavern, but I didn't know.

Mr. KENNEDY. The Rainbow Tavern?

Mr. RUHL. What?

Mr. KENNEDY. The Rainbow Tavern?

Mr. RUHL. I never knew the name of it, no, sir.

Mr. KENNEDY. Did you know that Mr. Richard Klinge was a classmate of Mr. Dave Beck, Jr., at the University of Washington, in Seattle?

Mr. RUHL. No, I did not.

Mr. KENNEDY. Did you know that they were very close friends?

Mr. RUHL. I couldn't say that I did.

Mr. KENNEDY. Do you know that Mr. Richard Klinge has one of the homes in the housing development of Mr. David Beck?

Mr. RUHL. No, I don't.

Mr. KENNEDY. When Mr. Richard Klinge asked you to make the loan of \$30,000, what did you tell him?

Mr. RUHL. I told him no, that I wouldn't.

Mr. KENNEDY. Did you make the loan of \$30,000 to Mr. Richard Klinge or anyone for Mr. Richard Klinge?

Mr. RUHL. He called up a couple of days later and asked me if I would loan it to Sam Bassett.

Mr. KENNEDY. Who is Sam Bassett?

Mr. RUHL. He is attorney for the teamsters union throughout the State of Washington.

Mr. KENNEDY. The attorney for the teamsters?

Mr. RUHL. The teamsters unions of the State of Washington.

Mr. KENNEDY. Did you make that loan?

Mr. RUHL. I made it to Sam Bassett, yes, sir.

Mr. KENNEDY. \$30,000?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Why did you make it to Mr. Bassett?

Mr. RUHL. Why?

Mr. KENNEDY. Yes.

Mr. RUHL. He asked me if I would loan it to Sam Bassett. I have known Sam Bassett well enough that I could trust him. I called him up and asked him if he was going to be responsible and he said yes, sir, that he would give me a note.

Mr. KENNEDY. Did he tell you that Mr. Dave Beck was interested in it?

Mr. RUHL. He did not.

Mr. KENNEDY. He did not mention Dave Beck at all?

Mr. RUHL. No, sir.

Mr. KENNEDY. And you loaned the \$30,000 to Sam Bassett?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. What rate of interest did you get for that loan of \$30,000?

Mr. RUHL. Three percent.

Mr. KENNEDY. And that was approved, was it, by the executive board?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Do you have any minutes of the executive board showing that that loan was approved?

Mr. RUHL. I have not.

Mr. KENNEDY. Do you know why that does not appear in the minutes of the executive boards?

Mr. RUHL. Well, that book was so far back it isn't available. It isn't around.

Mr. KENNEDY. This is 1950. This is after the loan to Tom Maloney. Those books are available.

Mr. RUHL. I have a minute book from 1950, yes, sir.

Mr. KENNEDY. This loan was made in June of 1950. Could you tell us why that does not appear in the minute book of June 1950?

Mr. RUHL. No, I can't. Only that I took it up with the members. I think that would be the last deal in that last book.

Mr. KENNEDY. And you say you took it up with the members?

Mr. RUHL. No. With the executive board again.

Mr. KENNEDY. And they said that it was permissible to make a loan to the lawyer of the teamsters in the State of Washington, \$30,000 at 3 percent interest?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. Did you understand, then, that the money was used to buy a tavern for Mr. Klinge?

Mr. RUHL. No I didn't.

Mr. KENNEDY. The Rainbow Tavern?

Mr. RUHL. No, I didn't.

Mr. KENNEDY. Would you tell us whether that money has been repaid?

Mr. RUHL. He owes a balance of \$18,200.

Mr. KENNEDY. Mr. Chairman, could we put the documents in the record regarding this loan and the dates that it was repaid?

The CHAIRMAN. All right.

Mr. Adlerman, do you have the records before you?

Mr. ADLERMAN. I have certain records, sir.

The CHAIRMAN. You have certain records before you pertaining to this loan?

Mr. ADLERMAN. I do.

The CHAIRMAN. Are they photostatic copies?

Mr. ADLERMAN. They are.

The CHAIRMAN. You may proceed to identify them.

Witness Ruhl, you follow the testimony being given now by Mr. Adlerman so that you can verify it, or refute it.

Mr. ADLERMAN. I hold in my hand a note, a demand note, of \$30,000, dated at Seattle, May 25, 1950:

On demand I promise to pay the Teamsters and Chauffeurs Union Local 690, \$30,000—

et cetera—

at 3 percent interest.

I do not want to read the whole note. It will take too much time.

The CHAIRMAN. Is that the note which has been discussed here, a photostatic copy of it?

Mr. ADLERMAN. That is right.

The CHAIRMAN. Mr. Ruhl, do you agree?

Mr. Ruhl, do you agree that that is a photostatic copy of the note?

Mr. RUHL. Yes, sir.

The CHAIRMAN. That note will be made exhibit No. 3.

(The document referred to was marked "Exhibit No. 3" for reference and will be found in the appendix on p. 349.)

Mr. ADLERMAN. It was signed by Sam Bassett and due on demand at Seattle, Wash. It bears an endorsement

Received \$5,000 September 14, 1951, on account, Teamsters and Chauffeurs Union, Local 690.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Before that is completed, I want to get something straight in my mind.

Do I understand that the money was loaned from the Temple Association fund?

Mr. RUHL. This one we are talking about now?

Senator GOLDWATER. Yes.

Mr. RUHL. This is a teamsters loan.

Senator GOLDWATER. This is a loan of \$30,000 from the local funds, the general funds?

Mr. RUHL. Local union 690, yes, sir.

Senator GOLDWATER. Again, can the local lend that money without the authority of the membership as a whole?

Mr. RUHL. The executive board can.

Senator GOLDWATER. Your constitution provides that the executive board can loan \$30,000 or any amount out of the general fund without consulting the members?

Mr. RUHL. It doesn't say how much they can loan. It just says they can loan. It says they can act between the meetings.

Senator GOLDWATER. So the \$30,000 was loaned in this case from the general fund of the local only on the action of the executive committee?

Mr. RUHL. Right.

Senator GOLDWATER. That is all, Mr. Chairman.

The CHAIRMAN. All right, Mr. Counsel.

Mr. ADLERMAN. I hold in my hand a check dated May 24, 1950, to the order of Sam Bassett for \$30,000, signed by the Teamsters and Chauffeurs Union, Local 690. The signatures are Mr. Whitney, J. E. Whitney, and A. J. Ruhl. The endorsement is Sam Bassett.

The CHAIRMAN. Mr. Ruhl, do you identify that check, a photostatic copy of it?

Mr. RUHL. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 4.

(The document referred to was marked "Exhibit No. 4" for reference and will be found in the appendix on p. 350.)

Mr. ADLERMAN. I have a bookkeeping machine cash account which shows, under remarks, May 24, 1950, check No. 576, and the amount of the ledger accounts \$30,000, and the balance is \$30,000, and several payments made thereunder, to include February 8, 1955, when it shows a payment of \$400, and a balance of \$19,100. Since that time, there were two other payments of \$400 and \$500, the last on February 8, 1956.

The CHAIRMAN. Do you identify that document, Mr. Ruhl?

Mr. RUHL. Yes, sir.

The CHAIRMAN. It will be made exhibit No. 5.

(The document referred to was marked "Exhibit No. 5" for reference and will be found in the appendix on pp. 351-352.)

The CHAIRMAN. At this point, Mr. Ruhl, I wish to ask you a question. Who has made the payments to you?

Mr. RUHL. Sam Bassett.

The CHAIRMAN. They have all come through Sam Bassett?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Proceed.

Mr. ADLERMAN. I hold in my hand a letter under the letterhead of Bassett, Geisness and Vance, Seattle, Wash., dated February 5, 1957, addressed to Mr. Ab Ruhl, secretary of the Teamsters Union, Local 690. It says:

In re my promissory note.

DEAR AB: Richard Klinge has delivered to me a bank check in the amount of \$21,000 in payment of the balance due of principal and interest on his promissory note.

If local 690 will accept this amount in full settlement of the balance now due the union on my note, both principal and interest, I will accept Klinge's check and deliver to you forthwith my check in the amount of \$21,000. Please advise me at your earliest convenience.

This is dated a couple of weeks ago, February 5, 1957.

The CHAIRMAN. That is a letter from whom?

Mr. ADLERMAN. From Mr. Bassett.

The CHAIRMAN. To whom?

Mr. ADLERMAN. To Mr. Ruhl.

The CHAIRMAN. Dated when?

Mr. ADLERMAN. February 5, 1947.

The CHAIRMAN. That is since this investigation started?

Mr. ADLERMAN. That is right sir.

The CHAIRMAN. It refers there to whom the money really was loaned to?

Mr. ADLERMAN. That is the indication.

The CHAIRMAN. Mr. Ruhl, I would like to ask you a question. Did you know at all times that that money was borrowed for Mr. Klinge?

Mr. RUHL. For Mr. Klinge?

The CHAIRMAN. Yes.

Mr. RUHL. Mr. Klinge was the one who originally called me up and I turned him down.

The CHAIRMAN. You knew at the time the loan was made to Mr. Bassett that the purpose of the loan was to get the money to Klinge for his use, did you not?

Mr. RUHL. Yes, sir.

The CHAIRMAN. You knew that, sir?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. I might say in that connection, Mr. Chairman, we have questioned Mr. Bassett about this loan and he has stated that he took the \$30,000 on orders of Mr. Dave Beck.

The CHAIRMAN. We have that confirmation?

Mr. KENNEDY. It is being sent in. We have not received it yet. I mention it since we are discussing this matter.

The CHAIRMAN. Mr. Bassett is the attorney for the union, and still is. As I recall it, he appeared before the Investigating Subcommittee representing Mr. Brewster, did he not?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Do you know the attorney that appeared for Mr. Brewster when he was before the Investigating Subcommittee, Mr. Bassett?

Mr. RUHL. It is the same Mr. Bassett.

The CHAIRMAN. That is the same Mr. Bassett?

Mr. RUHL. Yes, sir.

The CHAIRMAN. All right.

We should have an affidavit. When that affidavit is received, the Chair would like to have it made a part of the record. The original affidavit will be inserted into the record, when received.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. Mr. Ruhl, I want you to straighten out my arithmetic. I do not think I have followed it clearly. I think I understood that there was a balance due on the note to Mr. Bassett of \$18,100. Is that right?

Mr. RUHL. \$18,200.

The CHAIRMAN. May the Chair interrupt just a moment?

Senator MUNDT. Yes.

The CHAIRMAN. The letter that has just been testified to, dated February 5, 1957, from Mr. Bassett to Mr. Ruhl, will be made exhibit No. 6.

(The document referred to was marked "Exhibit No. 6" for reference and will be found in the appendix on p. 353.)

Senator MUNDT. Mr. Ruhl, in that letter, how much did Mr. Bassett offer to pay in order to complete the payment on the loan?

Mr. ADLERMAN. He offers to compromise the outstanding indebtedness for \$21,000.

Senator MUNDT. \$2,100 or \$21,000?

Mr. ADLERMAN. \$21,000.

Senator MUNDT. He offers to settle the \$18,200 loan for \$21,000?

Mr. RUHL. Yes, sir.

Senator MUNDT. Why is there that discrepancy in amount? Is that the interest?

Mr. RUHL. The interest, I presume. It figures out that there would be \$2,800 interest.

Senator MUNDT. The interest figures out at \$21,800?

Mr. RUHL. \$2,800.

Senator MUNDT. The interest?

Mr. RUHL. If I got the check for \$21,000; yes.

Senator MUNDT. What I am trying to figure out is: Is this an offer to compromise the loan or an offer to pay it in full?

Mr. RUHL. It is an offer to settle it in full with just a little less interest than the 3 percent.

Senator MUNDT. About how much less would that be?

Mr. RUHL. I think it would probably figure out about 2 percent interest.

Senator MUNDT. About how much?

Mr. RUHL. I think it would figure out about 2 percent.

Senator MUNDT. Two percent. Have you responded to that letter of February 5?

Mr. RUHL. Have I responded? Yes, sir.

Senator MUNDT. Did you say yes or did you say no?

Mr. RUHL. Well, he has the letter.

Senator MUNDT. All right.

Mr. ADLERMAN. I have in my hand, Senator, two letters, one dated February 6, 1957, in which Mr. Ruhl writes to Mr. Bassett stating that he would take the matter up at the next executive meeting, and he would notify him whether or not the \$21,000 would be acceptable.

The CHAIRMAN. Do you recognize the photostatic copy of that letter, Mr. Ruhl?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Is that correct?

Mr. RUHL. Yes, sir.

The CHAIRMAN. It will be made exhibit No. 7.

(The document referred to was marked "Exhibit No. 7" for reference and will be found in the appendix on p. 354.)

Mr. ADLERMAN. The next exhibit is dated February 13, 1957, in which Mr. Ruhl writes to Mr. Bassett, referring to his letter of February 5:

Took the matter regarding your note due to this local union up with the executive board last night at our regular meeting. They have agreed we will accept the check for \$21,000, which covers a balance due on the note plus the interest in full. So if you will send the check to me, I will forward your note paid in full. Signed "Ruhl."

The CHAIRMAN. What is the date of that letter?

Mr. ADLERMAN. February 13, 1957.

The CHAIRMAN. Do you acknowledge that letter as a correct photostatic copy of the original, Mr. Ruhl?

Mr. RUHL. Yes, sir.

The CHAIRMAN. That will be made exhibit No. 8.

(The document referred to was marked "Exhibit No. 8" for reference and will be found in the appendix on p. 355.)

Senator MUNDT. Mr. Ruhl, what induced you and the board members to accept 2 percent interest when you were entitled to 3?

Mr. RUHL. It didn't induce me. I wouldn't accept it until I took it up with the executive board.

Senator MUNDT. That is right. But you do have a vote on that board?

Mr. RUHL. Yes, sir.

Senator MUNDT. Did you vote in favor of it?

Mr. RUHL. Did I?

Senator MUNDT. Yes.

Mr. RUHL. Yes.

Senator MUNDT. What induced you, because you voted in favor of it? You are the only witness we have here this morning.

Mr. RUHL. To get it cleared up.

Senator MUNDT. What was that?

Mr. RUHL. To get it cleared up. It had been long enough.

Senator MUNDT. Did you consider it a bad loan at that time, that you had to make a discount to get the money?

Mr. RUHL. No; I don't say that, but I think it had run long enough and it should be cleared up.

Senator MUNDT. Did you consider it a delinquent loan?

Mr. RUHL. No; I didn't consider it a delinquent loan, because the note didn't specify any time.

Senator MUNDT. Lenders do not ordinarily discount loans which are good loans, which are in good standing and which are not delinquent.

You were entitled to 3 percent, which, in itself, was a pretty cheap interest rate for that kind of a loan. I am wondering why you decided to take 2 percent.

MR. RUHL. I just stated that I took it up with the board and they said take the money and settle it.

Senator MUNDT. I am asking you why you, Mr. Ruhl, voted in favor of it, why you, yourself, voted to deprive your union of that other 1 percent to which it was entitled.

MR. RUHL. I only have one vote. I went along with all of them. There are seven members on that board.

Senator MUNDT. Every member there had one vote. Each man had to make up his mind. It was either a question of putting this 1 percent in the pocket of Mr. Bassett or Mr. Klinge or the man who paid the dues to the union. There are 3 people to get the benefit of the 1 percent. I am wondering why, as custodian of union funds, you voted to put it in the pocket of Mr. Bassett or Mr. Klinge.

MR. RUHL. That is right; somebody would get it.

Senator MUNDT. Somebody would get it. If you were to tell me, "I thought this was a bad loan and I thought he should get it paid up," I would understand that; and if you told me he was a delinquent and you wanted to get it off the books, I would understand that. But if it is a good loan, I cannot understand why you would take 1 percent interest out of the pocket of the unionmen and put it in the hands of Mr. Bassett.

MR. RUHL. I stated that the board thought it had been long enough.

Senator MUNDT. In other words, you thought it was a bad loan, a delinquent loan, a slow loan?

MR. RUHL. I thought it was a little slow; yes.

The CHAIRMAN. What was the great urgency about getting it settled so quickly?

MR. RUHL. There wasn't any. We just answered the letter.

The CHAIRMAN. I am sure this investigation had nothing to do with it.

MR. RUHL. Not on my part; no, sir.

The CHAIRMAN. You had not been offered the payment until this investigation was well underway; had you?

MR. RUHL. That is right.

The CHAIRMAN. So you decided to discount it and get it settled.

MR. RUHL. February 5 is when I got the letter.

The CHAIRMAN. Did you think by settling it that way, and getting it disposed of, that it would not come to the attention of the committee?

MR. RUHL. No; I did not.

Senator KENNEDY. What collateral did Mr. Bassett put up?

MR. RUHL. What collateral? Just the note.

Senator KENNEDY. What percentage of your resources did \$30,000 involve at that time?

MR. RUHL. I think at that time we had around two or three hundred thousand dollars.

I am not saying exactly. I know counting that note in the teamsters' union we had at the end of January \$280,000 in our treasury.

Senator MUNDT. How about the rest of this \$200,000, Mr. Ruhl, the \$170,000 that Mr. Bassett did not borrow. How is that invested? Is that in interest-bearing money or is that just locked up?

Mr. RUHL. What is that?

Senator MUNDT. The rest of the money in your fund, the money that Mr. Bassett did not borrow, \$170,000, which I understand was still there after you made the loan to Mr. Bassett—is that right?

Mr. RUHL. \$170,000?

Senator MUNDT. Yes. Did you not say you had around \$200,000 in the treasury?

Mr. RUHL. Yes. In the treasury.

Senator MUNDT. If he takes \$30,000, that leaves \$170,000; is that correct?

Mr. RUHL. I am not sure of those figures.

Senator MUNDT. Roughly. What happened to the rest of the money? Is it interest-bearing money or is it in bonds or in mothballs?

Mr. RUHL. I have at the present time \$211,000 invested in Government bonds.

Senator MUNDT. That is what I am trying to find out. What happened to the rest of the money. May I ask, while I am on the subject, a little bit about the financial arrangements between Local 690 and the Temple Association. As I understand, the Temple Association is the creature of Local 690?

Mr. RUHL. That is right.

Senator MUNDT. Does the local occupy offices in the Temple Building?

Mr. RUHL. Yes.

Senator MUNDT. Does it pay the Temple Association interest or rent?

Mr. RUHL. We pay them rent; yes, sir.

Senator MUNDT. You pay them monthly rent. Is it the regular prevailing rent in that community?

Mr. RUHL. I don't know whether it would be the regular going—it isn't as much rent as you would pay if you had to go out and rent the building. At the present time, for a long time, we have been paying \$100 a month rent for the building.

Senator ERVIN. Mr. Chairman, before we leave this phase, I would like to ask a question.

The CHAIRMAN. Senator Ervin.

Senator ERVIN. The result of the action of your executive board in reducing this interest rate from 3 to 2 percent was to give away to somebody \$1,400 which, in equity and good conscience, belonged to your union; was it not?

Mr. RUHL. Possibly it should be.

Senator ERVIN. You stated that you did not keep the minutes. I thought you said you were secretary-treasurer.

Mr. RUHL. Right.

Senator ERVIN. Were you secretary-treasurer both of the local and also of the Temple Association?

Mr. RUHL. Yes, sir.

Senator ERVIN. Were not those minutes supposed to be kept under your supervision?

Mr. RUHL. No. The recording secretary keeps the minutes.

Senator ERVIN. You have a recording secretary. In other words, it is not your function to supervise the keeping of the minutes?

Mr. RUHL. No, sir.

Senator ERVIN. That is all.

The CHAIRMAN. Who supervises the recording secretary?

Mr. RUHL. Who supervises? The executive board.

The CHAIRMAN. The executive board. And you are on the executive board?

Mr. RUHL. Yes, sir.

The CHAIRMAN. So you have a responsibility to supervise it, do you not?

Mr. RUHL. I suppose so; yes.

The CHAIRMAN. You know you do, do you not, if your statement is correct?

Mr. RUHL. My statement is correct. I suppose I would have that responsibility.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives?

Senator IVES. Mr. Ruhl, I would like to ask you a couple of questions. What is the real purpose of the building association?

Mr. RUHL. What is the real purpose of it?

Senator IVES. Yes.

Mr. RUHL. The building was set up as a separate unit. It is a corporation.

Senator IVES. For what purpose?

Mr. RUHL. Just to run the building.

Senator IVES. To run the building?

Mr. RUHL. So that it wouldn't be connected with the union.

Senator IVES. You could have had it connected with the union, could you not?

Mr. RUHL. I presume you could, but I don't think they are usually done that way.

Senator IVES. What are the funds used for other than the building maintenance? In other words, in the operation of the building association, what are these funds used for that you are accumulating?

Mr. RUHL. That is all they are used for.

Senator IVES. Apparently you are not spending them all. You have something over \$200,000 at the present time invested in Government bonds, you say.

Mr. RUHL. No. That money is teamsters' local 690.

Senator IVES. That is in the union treasury?

Mr. RUHL. There is at the present time \$57,000 in the Temple Association.

Senator IVES. Do you get any remuneration for acting in the capacity of secretary-treasurer of local 690?

Mr. RUHL. I get paid by local 690; yes.

Senator IVES. Are you willing to tell us what you get paid?

Mr. RUHL. I get \$190 a week plus \$3 a day expense allowance.

Senator IVES. Three dollars a day. That is rather moderate. Are you paid also to serve in your capacity on the board in connection with the Temple?

Mr. RUHL. No, sir.

Senator IVES. You get no remuneration of any kind for that?

Mr. RUHL. There is nobody gets a salary on the Temple Association.

Senator IVES. Thank you very much.

Senator McNAMARA. Mr. Chairman, I have a few questions if you want them at this time.

The CHAIRMAN. All right, Senator.

Senator McNAMARA. Are you an elected officer?

Mr. RUHL. Yes, sir.

Senator McNAMARA. Are you bonded?

Mr. RUHL. Yes, sir.

Senator McNAMARA. How long is your term of office?

Mr. RUHL. Five years.

Senator McNAMARA. Five years. You have been elected continuously over this long period of time that you mentioned?

Mr. RUHL. It hasn't always been five. When I first came it was from year to year and then it went to 3 and then it went to 5.

Senator McNAMARA. Has your term been continuous?

Mr. RUHL. I have been continuously employed.

Senator McNAMARA. And you are elected by the rank and file, not by the executive committee?

Mr. RUHL. By the rank and file; yes, sir.

Senator McNAMARA. You indicated that these funds are invested in other ways than the manner brought out in the testimony here. You did mention that you have invested some hundreds of thousands of dollars in Government bonds?

Mr. RUHL. \$211,000.

Senator McNAMARA. That is, rather than keep the money in cash. That is the customary practice, to invest the money?

Mr. RUHL. Yes; to invest it.

Senator McNAMARA. You have repeated 2 or 3 times that the executive committee has the authority to act between meetings.

Mr. RUHL. Yes.

Senator McNAMARA. Does this imply that the executive committee reports to the rank and file periodically?

Mr. RUHL. Yes, sir.

Senator McNAMARA. Is that a monthly meeting?

Mr. RUHL. We meet the second Tuesday in each month.

Senator McNAMARA. Then, in effect, these transactions are submitted through the executive committee to the rank and file, and have been generally approved?

Mr. RUHL. Most of them; yes, sir.

Senator McNAMARA. Do you mean there are exceptions?

Mr. RUHL. There are exceptions; little meetings between the executive board that don't amount to anything, that we don't report.

Senator McNAMARA. But if they have the authority to act for the local union in the interim, between meetings, then the assumption is that they act subject to final approval, or to approval ultimately by the rank and file?

Mr. RUHL. Yes, sir.

Senator McNAMARA. And the constitution so requires?

Mr. RUHL. We read all the bills off the last thing at the meeting and then they are approved by the meeting.

Senator McNAMARA. Now we are getting into the finance committee, are we not, and that is not a function of the executive committee?

Mr. RUHL. Yes.

Senator McNAMARA. I was talking about the function of the executive committee. They are to report to the rank and file?

Mr. RUHL. I do all of my business with the executive committee.

Senator McNAMARA. Well, you are related to the finance committee. You have the finance committee, I presume.

Mr. RUHL. It is the executive board.

Senator McNAMARA. They act as the finance committee?

Mr. RUHL. Right.

Senator McNAMARA. Then it is a combination executive board and finance committee?

Mr. RUHL. They O. K. all the bills. I have to read to the executive board every month everything I did, and they O. K. them.

The CHAIRMAN. O. K.'ing a bill and O. K.'ing a loan are two different things, aren't they?

Mr. RUHL. That is right.

The CHAIRMAN. Did the rank and file of the members at any meeting O. K. this Bassett-Klinge loan?

Mr. RUHL. No, sir.

The CHAIRMAN. Did they ever know about it?

Mr. RUHL. Yes, sir. It is on my Taft-Hartley report, the balance outstanding, every year. It is also in the books every year.

The CHAIRMAN. I understand it is in the books. What I am trying to determine is the difference between O. K.'ing bills that are presented each month at the meeting, and ordering them paid by the membership, and the O. K.'ing of a \$30,000 loan. Did they O. K. it? Were they ever told about it?

Mr. RUHL. Did the union O. K. it?

The CHAIRMAN. Yes.

Mr. RUHL. No, sir.

The CHAIRMAN. That is what I thought.

Senator McNAMARA. To clear up that point in my mind, I would like to ask the witness another question.

The CHAIRMAN. All right, sir.

Senator McNAMARA. Then this authority that this executive committee has to loan money, as in the instance of the \$30,000, or to buy Government bonds, or any other investment that they see, is an authority that is legitimately granted to them in advance by the rank and file; is that not correct?

Mr. RUHL. The bylaws read that the executive board shall O. K. all bills.

Senator McNAMARA. They are so authorized?

Mr. RUHL. Yes, sir.

Senator McNAMARA. Then it is required that it be reported, and your system of reporting is in your annual report; is that correct?

Mr. RUHL. Right, and also in the meeting every month I read the financial statement.

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. You earlier suggested that perhaps it would be possible for Mr. Beck to conceivably interfere with your retirement. How is your retirement paid?

Mr. RUHL. 60 percent is paid by the union and 40 percent paid by me.

Senator KENNEDY. Now, could Mr. Beck or anyone else outside of your union interfere with your retirement pay?

Mr. RUHL. I don't know how they could, but if I got off the job, it would interfere with it.

Senator KENNEDY. You mean if you did not last for the next year and a half. Could Mr. Beck put you off the job?

Mr. RUHL. Could he?

Senator KENNEDY. Yes.

Mr. RUHL. Yes, he could.

Senator KENNEDY. Even if the members of your union wanted you to stay?

Mr. RUHL. Well, I think that would be a problem for the union. They would probably take it up in a corner somewhere whether they agreed with Beck or whether they did not. I think that could be done.

Senator KENNEDY. How could Mr. Beck put you off the job without your getting the equity you have in your retirement fund?

Mr. RUHL. I do not think he could put me off without getting the equity. What has been paid in I am sure I could get.

Senator KENNEDY. But he could affect the 60 percent that the union puts in. Are they putting it in every year?

Mr. RUHL. I don't think he could affect that, either. I think that is held by this retirement plan.

Senator KENNEDY. In other words, Mr. Beck, you believe, could get you discharged from your job as head of the union a year and a half before your retirement, and that would affect your retirement pay, or would not? Which is it?

Mr. RUHL. It would affect it to some degree, because it would not be all paid in until the full age limit.

Senator KENNEDY. But there is no regulation that says you must be on the job at the time of your retirement. All you would lose would be the 60 percent that the union would pay in in the next 18 months; is that correct?

Mr. RUHL. It would cease right there, I presume, the way it is made out. I could not pay into it, either, unless the 60 percent was paid.

Senator KENNEDY. So you would get retirement as of now at the rate you have paid it in and the union paid in, instead of the next year and a half, but he could not take all of your retirement pay away from you?

Mr. RUHL. He could not take it all.

Senator KENNEDY. But he could have you discharged from your job, in your opinion.

Mr. RUHL. The constitution says so—that they can remove anybody.

Senator KENNEDY. They can remove the head of any local in the country of the teamsters?

Mr. RUHL. Yes, sir.

Senator KENNEDY. And does he have to show cause?

Mr. RUHL. I presume they would, yes.

Senator KENNEDY. Is there anything in the regulation that says how he may remove you or what reasons he must have for removing you?

Mr. RUHL. I think it states that they would have to have a trial.

Senator KENNEDY. Not by the members of your union?

Mr. RUHL. No, that would be by the international union.

Senator KENNEDY. All right.

Senator ERVIN. I understood you to say originally that you had apprehension that you might possibly be removed before the time came for your retirement, from which I drew the inference, and I

would like to know if I am correct, that if you do not stay until the time for your retirement comes, you cannot have the benefit of retirement.

Mr. RUHL. Not the full amount of it.

Senator ERVIN. If you were removed from your office at this time, as a result of trial by the international, could you get your retirement to the extent it has been paid in?

Mr. RUHL. I could get the amount that has been paid in; yes, sir. (Senator Ives left the room.)

Senator ERVIN. You have nothing to apprehend except the loss of what proportion of the retirement would be paid in between this time and the expiration of a year and a half?

Mr. RUHL. That is right.

Senator ERVIN. Then under that system can a person retire from the teamsters union any time he sees fit?

Mr. RUHL. If he leaves the job, he can draw the money, yes.

Senator ERVIN. Even though he has only been in there a relatively short time?

Mr. RUHL. Well, I don't know exactly how the thing is written. I think he has to be there a certain amount of time. I don't know. I am not familiar with how they have it written.

Senator KENNEDY. Do you have to be there 30 years to be eligible for this retirement?

Mr. RUHL. No; at the age of 65. I have been there more than 30 years.

Senator KENNEDY. But you do not feel that there is any way that Mr. Beck, regardless of what attitude he took toward you, could in any way lessen the amount that the union itself would pay you as of this date? In other words, it is not necessary that you be on the job at that age for a certain length of time before you are eligible for the money that the union has been putting in every year?

Mr. RUHL. The union would not pay it. That is a policy through the Occidental Life Insurance.

Senator KENNEDY. The union has been putting in the funds every year. The union does not make a lump payment at the end of a certain period of time. You have the equity in the union money as well as the money you have put in; is that correct?

Mr. RUHL. Each month the union pays on everyone under retirement, I think it is, 10 cents a member, charge to the union, 10 cents a member.

Senator KENNEDY. I do not see what Mr. Beck's power would be, except as Senator Ervin suggests, of the amount that would be lessened in the next 18 months by the amount this union might not put in.

Mr. RUHL. I don't think they can put it in after you are off the job.

The CHAIRMAN. You say you would stand to lose your job and lose the additional benefits from now until the end of next year would provide. Is that what it amounts to?

Mr. RUHL. I must be there until 65 years old; yes, sir. It does not have any concern with how long I am there.

The CHAIRMAN. I am talking about what you would stand to lose in the event you would be discharged.

Mr. RUHL. I would lose my salary, and I would lose part of that pension plan.

Senator GOLDWATER. Mr. Chairman.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I would like to change the subject just a little bit. I am looking at 2 months, April and May 1948, of your cash expenditures. I see expenditures in here to Spokane Building Trade Council, Western Warehouse Produce Council, or Production Council, Western States Dairy Council, Automotive Trade Council. What is the nature of those councils?

Mr. RUHL. Those are the monthly taxes, per capita taxes to that division. They are divisions of the union.

Senator GOLDWATER. These councils are divisions of the union?

Mr. RUHL. In the Western Conference of Teamsters, yes, sir.

Senator GOLDWATER. They are in no way organizations of management.

Mr. RUHL. There is a bakery division, laundry division. Each thing is set up in a category. We are taxed so much to each division.

Senator GOLDWATER. The Building Trades Council, Spokane Building Trades Council.

Mr. RUHL. That is not the teamsters. The Building Trades Council is the construction industry. I pay tax also to that.

Senator GOLDWATER. What I am trying to get at is are these councils made up of managements?

Mr. RUHL. Of which?

Senator GOLDWATER. Made up of managements?

Mr. RUHL. No, that is the building crafts union. We are a member of that also.

Senator GOLDWATER. Let us take the Western States Dairy Council.

Mr. RUHL. That is part of the Western Conference of Teamsters.

Senator GOLDWATER. There are no management members of that council?

Mr. RUHL. Yes, they have boards.

Senator GOLDWATER. I mean are there owners of dairies, operators of dairies?

Mr. RUHL. No, there are no owners connected with it.

Senator GOLDWATER. In other words, this is not an organization comprised of management and union.

Mr. RUHL. No. That is a function of the Western Conference of Teamsters.

Senator GOLDWATER. It has no relationship at all to management.

Mr. RUHL. No.

Senator GOLDWATER. Not at all?

Mr. RUHL. No, sir.

Senator GOLDWATER. So that your interests in these councils is merely to further the interest of labor?

Mr. RUHL. Right.

Senator GOLDWATER. They are not to provide a means of collusion or restraint of trade between managements and unions?

Mr. RUHL. No, sir.

The CHAIRMAN. Chief counsel, proceed.

Mr. KENNEDY. Mr. Ruhl, we were discussing the fact that your union and unions with which you have been associated have made four loans. You discussed the first one of approximately \$5,000, which was

made to an employee who had embezzled some money. The second was to Tom Maloney, on the suggestion of Frank Brewster, \$3,900. This last one was to Mr. Klinge for \$30,000, which was made indirectly to Mr. Klinge through Sam Bassett.

There was a fourth loan. Would you tell the committee to whom that loan was made?

Mr. RUHL. The fourth loan?

Mr. KENNEDY. Yes.

Mr. RUHL. One is to the girl.

Mr. KENNEDY. Right.

Mr. RUHL. One is to Sam Bassett.

Mr. KENNEDY. Right.

Mr. RUHL. And Sam Sellinas.

The CHAIRMAN. Sam who?

Mr. KENNEDY. S-e-l-l-i-n-a-s, Sam Sellinas.

Did Mr. Sam Sellinas come to you and ask for a loan?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. What did he need the loan for?

Mr. RUHL. I think he needed it to square himself with his tax.

Mr. KENNEDY. He was having a tax problem?

Mr. RUHL. He was about to lose his ranch, yes, sir.

Mr. KENNEDY. He was about to lose his ranch because he needed to pay some taxes, is that right?

Mr. RUHL. I presume there were taxes mixed in it.

Mr. KENNEDY. How much money did he ask to borrow from your union?

Mr. RUHL. \$17,000.

Mr. KENNEDY. And did you agree that he should borrow \$17,000 from your union?

Mr. RUHL. There, again, it was taken up with the building committee.

Mr. KENNEDY. What did you decide to do?

Mr. RUHL. The building committee decided it was O. K. to loan the money, provided we got—

Mr. KENNEDY. Let me ask you first, had you turned him down originally?

Mr. RUHL. Yes, I think I turned him down and told him he would have to take it up with Mr. Beck or Mr. Brewster.

Mr. KENNEDY. You knew that Mr. Sellinas was a close friend of Mr. Brewster?

Mr. RUHL. Yes.

Mr. KENNEDY. And he is a well-known gambler in the State of Washington?

Mr. RUHL. Yes.

Mr. KENNEDY. A notorious gambler in the State of Washington?

Mr. RUHL. I would not say he is notorious.

Mr. KENNEDY. He has a criminal record regarding gambling; does he not?

Mr. RUHL. I know of a couple of instances, yes.

Mr. KENNEDY. So you felt that this was not the proper, the right kind of person to loan \$17,000 of union funds to, is that correct?

Mr. RUHL. Right.

Mr. KENNEDY. What made you change your mind and decide to loan \$17,000 to Mr. Sellinas?

Mr. RUHL. Well, the fact that he was going to put up property for it.

Mr. KENNEDY. Were there any conversations with any higher officials of the teamsters union regarding the loan to Sam Sellinas?

Mr. RUHL. I told Mr. Sellinas to see Mr. Brewster, yes.

Mr. KENNEDY. Did you hear then from Mr. Brewster?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. What did Mr. Brewster say?

Mr. RUHL. He called me on the telephone and he said, "I understand that your union has agreed to loan Sellinas some money."

Mr. KENNEDY. What did you say?

Mr. RUHL. I said, "Yes, they have."

Mr. KENNEDY. Had you agreed by that time?

Mr. RUHL. Yes; we had agreed.

Mr. KENNEDY. You thought that was a good loan to make?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. To Mr. Sam Sellinas, a well-known gambler in the State of Washington, who was in tax difficulty and did not want to lose his ranch, you felt that was a good investment for union funds?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. And you decided that before you even heard from Mr. Frank Brewster, is that right?

Mr. RUHL. No; we did not decide that. I think the minutes will show——

Mr. KENNEDY. Excuse me?

Mr. RUHL. I think the minutes will show it was after he talked to Mr. Brewster.

Mr. KENNEDY. It was after he talked to Mr. Brewster?

Mr. RUHL. Yes.

Mr. KENNEDY. You heard from Mr. Brewster first?

Mr. RUHL. I talked to the executive board of the building first.

(Senator McCarthy entered the room.)

Mr. RUHL. I told him that they would loan it, but, I said, first he would have to take it up with either Mr. Beck or Mr. Brewster.

Mr. KENNEDY. But your executive board decided on their own that this would be a good investment?

Mr. RUHL. They would have that right; yes, sir.

(Senator Kennedy left the room.)

Senator McCARTHY. Could I interrupt to apologize to the chairman for being late? I was testifying before the Judiciary Committee, or I would have been here. I hope to be here at all sessions in the future.

The CHAIRMAN. Very well. Go ahead, Mr. Counsel.

Mr. KENNEDY. You thought that that was a good investment for the union funds?

Mr. RUHL. At the rate of 5 percent interest; yes.

Mr. KENNEDY. Five percent interest. You then discussed it with Frank Brewster and he told you go ahead, is that right?

Mr. RUHL. He called me on the telephone. I did not discuss it with him. I told Sam to discuss it.

Mr. KENNEDY. Your building fund and local 690 are not in the practice of making loans, are they?

Mr. RUHL. No, sir.

Mr. KENNEDY. So it would have to be an unusual set of circumstances for you to make a loan, would it not?

Mr. RUHL. It would have to be; yes.

Mr. KENNEDY. You felt Sam Sellinas, a well-known gambler in the State of Washington, who was in tax difficulty, who wanted to save his ranch, you felt that that met the requirements?

Mr. RUHL. I think it did; yes.

Mr. KENNEDY. In fact, if he was a friend of Frank Brewster, would that also play a part?

Mr. RUHL. No; I would not say that that played a part. I think everyone in our union was a friend of Mr. Sellinas.

Mr. KENNEDY. You are all friends of Mr. Sellinas?

Mr. RUHL. He had a ball club that was all practically teamsters, a softball club.

Mr. KENNEDY. Was that approved by the rank and file of the union members?

Mr. RUHL. It was approved only by the executive board.

The CHAIRMAN. A number of members of the committee have other duties that they need to look after. It will be the policy of the committee to be in session until 12 or a little after in the mornings, and for this series of hearings, at least, we will hold afternoon sessions. I believe we are not quite through with this witness.

The counsel advises me he can conclude with the witness in about 3 minutes. We will indulge about that much longer, then.

Mr. KENNEDY. The loan was not made directly to Sam Sellinas. It was made to Mr. Dudley Wilson on December 18, 1953?

Mr. RUHL. Yes, sir.

Mr. KENNEDY. And Mr. Sellinas, through Mr. Wilson, did not repay the loan at the time they were supposed to, and requested an extension, did they not?

Mr. RUHL. That is right.

Mr. KENNEDY. And that was on—well, the extension was granted by the board on October 24, 1955, for 2 more years; is that right?

Mr. RUHL. That is right.

Mr. KENNEDY. Did you clear that through Frank Brewster?

Mr. RUHL. No, sir. The extension on the loan was only on the balance of it.

Mr. KENNEDY. The balance of the loan that was due?

Mr. RUHL. I got \$10,000 of it.

Mr. KENNEDY. Mr. Chairman, we have a number of documents there that bear out the discussion that I have had with Mr. Ruhl about the loan. If we could make them exhibits for reference, anyone that wanted to consult with them could see if these statements are correct.

TESTIMONY OF JEROME S. ADLERMAN

The CHAIRMAN. Mr. Adlerman, do you have the documents that counsel refers to?

Mr. ADLERMAN. Yes, sir; I have a series of documents here.

The CHAIRMAN. What documents do you have there?

Mr. ADLERMAN. I have a record of the minutes of the Teamsters Union showing that the borrower had the approval of Vice President Brewster to make the loan.

The CHAIRMAN. Vice President Brewster?

Mr. ADLERMAN. That is right. That is dated December 8, 1953.

The CHAIRMAN. Mr. Ruhl, do you recognize the photostatic copy of the minutes to which Mr. Adlerman referred?

(Document handed to witness.)

Mr. RUHL. Yes, sir.

The CHAIRMAN. Are they correct?

Mr. RUHL. They are correct.

The CHAIRMAN. That may be made exhibit 9.

(The document referred to was marked "Exhibit No. 9" for reference and will be found in the appendix on p. 356.)

Mr. ADLERMAN. I have a check for \$17,000 dated December 18, made out to the order of Dudley Wilson, by the Teamsters Union Temple Association on the Old National Bank of Spokane and endorsed by him. I believe Mr. Wilson is the attorney for the union as well as the attorney for Mr. Sellinas on his tax problem.

The CHAIRMAN. Does that check represent the Sellinas loan?

Mr. RUHL. Yes, sir.

The CHAIRMAN. Do you recognize it?

Mr. RUHL. Yes, sir.

The CHAIRMAN. It will be made exhibit 10.

(The document referred to was marked "Exhibit No. 10" for reference, and will be found in the appendix on p. 357.)

Mr. ADLERMAN. Here is a bank statement showing the withdrawal out of a full balance of \$52,226.78 in the Teamsters Union Labor Temple account.

The CHAIRMAN. Do you recognize that photostatic copy, Mr. Ruhl?

Mr. RUHL. Yes.

The CHAIRMAN. It will be made exhibit 11.

(The document referred to was marked "Exhibit No. 11" for reference, and will be found in the appendix on p. 358.)

Mr. ADLERMAN. I have a document which is the extension of the loan approved by the board of trustees.

The CHAIRMAN. What is that document? Is it the minutes of the meeting?

Mr. ADLERMAN. Yes, a special meeting of the board of trustees of the Teamsters Union dated October 24, 1955, and after considerable discussion it was moved that the loan be extended.

The CHAIRMAN. Do you recognize that photostatic copy, Mr. Ruhl?

Mr. RUHL. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 12.

(The document referred to was marked "Exhibit No. 12" for reference, and will be found in the appendix on p. 359.)

(Senator McCarthy left the room.)

Mr. ADLERMAN. Here is a letter dated June 5, 1956, from Mr. Ruhl to Mr. Wilson serving notice of a \$17,000 balance of Mr. Sellinas as of June 5, 1956.

The CHAIRMAN. Do you recognize that document, Mr. Ruhl?

(Document handed to witness.)

Mr. RUHL. Yes, sir.

The CHAIRMAN. That will be made exhibit 13.

(The document referred to was marked "Exhibit No. 13" for reference, and will be found in the appendix on p. 360.)

Mr. ADLERMAN. Here is a financial statement of the Teamsters Union Temple Association dated December 31, 1955, which shows the loan

to Dudley Wilson, attorney, \$17,000, the total assets being reflected as \$146,839.21.

The CHAIRMAN. There is a live quorum call by the Senate.
(Senator Goldwater left the room.)

Mr. ADLERMAN. That completes the documents.

The CHAIRMAN. The last item will be made exhibit No. 14.

(The document referred to was marked "Exhibit No. 14" for reference, and will be found in the appendix on p. 361.)

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

Mr. Ruhl, you are not discharged as a witness. You will remain subject to call.

Mr. RUHL. Yes, sir.

(Thereupon at 12:15 p. m., a recess was taken until 2 p. m., the same day. Present at the taking of the recess: Senators McClellan, Ervin, and McNamara.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will be in order.

(Present at the opening of the hearing were Senators McClellan, Ives, Kennedy, McNamara, and Goldwater.)

The CHAIRMAN. We will proceed.

Mr. KENNEDY. Mr. Chairman, we were discussing this morning a loan or several loans from the Teamsters Union in Spokane, one of them to Mr. Sellinas, and we have an affidavit here from Mr. Sam Sellinas, which I would like to present to you.

The CHAIRMAN. Without objection, the Chair will read the affidavit into the record.

FEBRUARY 21, 1957.

STATE OF WASHINGTON,

County of King, ss:

I, Sam Sellinas, of my free will and with no promise of immunity make the following statement. That I presently reside at the Baldwin Apartments, Seattle, Wash, and that I am presently unemployed. From 1919 to 1956 I was a resident of Spokane, Wash. During that time I engaged in a number of occupations, primarily farming, gambling, and bootlegging. In 1946, I went into the racehorse business with Mickey McDonald of Calgary, Alberta, Canada. We owned two horses together. I subsequently purchased three more horses. During the time I was racing horses at Longacres and Playfair Racetracks in the State of Washington, I became acquainted with Mr. Frank Brewster, who was then chairman of the Washington State Racing Commission.

Sometime in 1953 or 1954, I contacted Mr. A. J. Ruhl of the Teamsters Union Local 690 in Spokane, Wash., relative to obtaining a loan from the union. I was faced at that time with a tax lien of around \$13,000 levied by the Federal Government and had no funds to meet this lien. The Government was threatening to auction two pieces of property I owned if I did not meet this lien. I asked Mr. Ruhl to lend me \$17,000 from the union funds. Mr. Ruhl said he would have to take it up with his executive board. He later told me this loan was O. K. Either before or after the loan was granted to me I saw Mr. Frank Brewster and he told me the loan was all right if my property was put up as security. The \$17,000 check was made payable to Mr. Dudley Wilson, attorney for the teamsters. Mr. Wilson paid off some liens against my property being held by a bank in Spokane. He also paid off the Federal lien. I got the proceeds but do not remember how much this was.

Last year I sold one of the pieces of property being held by the union for \$20,000 and gave the union \$10,000 of this as a payment toward what I owed them. I still owe the union \$7,000 and am presently unable to pay it although the loan is extended until January 1, 1958.

I came to know Mr. Thomas Maloney in Spokane around 1946. At that time, he was around the racetrack in Spokane. I later knew him when he was operating Maloneys Sports Center, in Spokane which was a combination bar-restaurant with a cardroom in the back where they played cards and other games.

I have spent time in jail only twice in my life. Twenty years ago I served 5 months in the Spokane County jail for bootlegging. In 1955, I served 60 days for gambling in Idaho. I believe all the above statements to be the truth to the best of my knowledge.

SAM S. SELLINAS.

Subscribed and sworn to me this date, February 21, 1957.

JOHN A. ROBERTS, Jr.,

Notary Public in and for the State of Washington, residing at Seattle.

That will be made a part of the record.

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Tom Maloney as a witness to ask him a question about the Maloneys Sports Center, and his tieup with Mr. Frank Brewster.

The CHAIRMAN. Mr. Tom Maloney, come around, please.

Senator GOLDWATER. Might I ask the counsel a question before we proceed with this witness?

I understood from the affidavit just read that Mr. Frank Brewster was a member of the Racing Commission of the State of Washington.

Mr. KENNEDY. That is correct.

Senator GOLDWATER. That is the same Frank Brewster that we are concerned with?

Mr. KENNEDY. I do not believe he is a member any longer, but he was a member. I think he was released.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate Select Committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MALONEY. I do.

Mr. RAND. May I request that the photographers and the cameramen be asked to desist taking pictures while Mr. Maloney is testifying, and that the lights be turned away from us, please?

The CHAIRMAN. Just one moment. We will take up that matter.

Will you state your name, and your place of residence and your business or occupation, please, sir?

TESTIMONY OF THOMAS A. MALONEY, ACCOMPANIED BY HARRY I. RAND, COUNSEL

Mr. MALONEY. My name is Thomas A. Maloney, and I was born in San Francisco July 4, 1900, and I live at 3711 East Second Street, Spokane, Wash., and I am unemployed.

The CHAIRMAN. You are unemployed?

Mr. MALONEY. Yes, sir.

The CHAIRMAN. You have elected, have you, to have counsel present?

Mr. MALONEY. Yes, sir.

The CHAIRMAN. Counsel, will you identify yourself for the record.

Mr. RAND. Harry I. Rand, Washington Building, Washington 5, D. C.

The CHAIRMAN. You may make your request, Mr. Rand.

Mr. RAND. I request on behalf of the witness that photographers be asked to desist taking pictures during his testimony, and likewise that the lights be turned away from us or turned off so that Mr. Maloney may give his testimony without the influence of the lights.

The CHAIRMAN. This request addresses itself to the committee. The Chair may refer to the rules under which I presume the request is made. It is rule No. 8. A witness may request on grounds of distraction, harassment or physical discomfort that during his testimony television, motion pictures and other cameras and lights shall not be directed at him. Such request is to be ruled upon by the committee members present at the hearing.

What is the pleasure of the committee? The Chair would note, however, that the request of counsel did not enumerate any of the reasons here why he desired the lights to be turned off. If you care to state the reasons?

Mr. RAND. I thought I had stated that Mr. Maloney thus would be permitted to testify without the interference, I can use the terms "distraction" and "harassment" which undoubtedly results from these lights. I certainly am troubled by them, and I am sure that Mr. Maloney is troubled. He asked me to make the request.

The CHAIRMAN. The Chair would remark if you are troubled by them, how do you think the committee operates?

Mr. RAND. The committee has a tough time operating under these lights, I realize that.

The CHAIRMAN. It is up to the committee. What is your pleasure, gentlemen?

Senator GOLDWATER. I move that the request of counsel be complied with.

The CHAIRMAN. Is there any objection? The Chair hears none, and the request of counsel will be complied with. There is no inhibition or rule against the photographers looking this way and turning their cameras this way, but you will not take pictures of the witness while he is testifying, and the lights will not be directed at the witness while he is testifying.

Now, gentlemen, you are our guests here, and we hope each one observes the order of the Chair. We will now proceed.

Mr. RAND. May I thank the Chair and the committee, please.

Mr. KENNEDY. Mr. Maloney, we have had discussions in my office on Saturday?

Mr. MALONEY. That is right.

Mr. KENNEDY. And at that time you were unable to procure counsel, is that right?

Mr. MALONEY. That is right.

Mr. KENNEDY. You did not have counsel?

Mr. MALONEY. That is right.

Mr. KENNEDY. You were going to meet some of your friends coming in from Portland on the following day, and met them, is that right?

Mr. MALONEY. That is right.

Mr. KENNEDY. And you expected to be able to get counsel through that way. You expected to be able to get counsel through them?

(Witness consulted his counsel.)

Mr. MALONEY. Yes, I expected to get counsel.

Mr. KENNEDY. They were unable to get you counsel, is that right?

Mr. MALONEY. That is right.

Mr. KENNEDY. And Mr. Adlerman suggested that you report to the Legal Aid Society?

Mr. MALONEY. That is right.

Mr. KENNEDY. And you said that you did not want to go down there, is that right?

Mr. MALONEY. That is right.

Mr. KENNEDY. And then he spoke to you again to find out if you had gone, and you said, "I received a telephone call and I have counsel."

Now, whom did you receive the telephone call from?

(Witness consulted his counsel.)

Mr. MALONEY. I want to read to the committee—

Mr. KENNEDY. Could you answer my question, first, about who called you to say that they had gotten counsel for you?

Mr. MALONEY. I stand on my constitutional rights under the fifth amendment.

Mr. KENNEDY. On who called you to get your counsel?

Mr. MALONEY. Yes, sir.

Mr. KENNEDY. You don't want to tell the committee?

Mr. MALONEY. No, sir.

Mr. KENNEDY. Was it a member of the teamsters union?

Mr. MALONEY. No, sir.

Mr. KENNEDY. It was not?

Mr. MALONEY. No.

Mr. KENNEDY. Then you will answer the question, if it was no one associated with any member of the teamsters.

Mr. MALONEY. I will stand on my constitutional rights and invoke the fifth amendment, and I would like to read this statement to the committee if you will let me.

The CHAIRMAN. Have you submitted the statement to the committee?

Mr. RAND. This is merely explaining why he is taking the fifth. It is not a long statement.

The CHAIRMAN. All right, if he wants to explain—just a moment—if the witness wants to explain why he is taking the fifth amendment, I think the committee is willing to hear him.

Mr. MALONEY. I am now under indictment in the State of Oregon, charged with a violation of certain laws of that State and with conspiracy to violate certain laws of the State. From articles I have seen in the public press, from statements reported to have been made by members of this committee, and from questions put to me by staff employees of this committee, I am aware that this committee is engaged in an investigation of the teamsters union. Charges have been made that that union or some of its officers have been involved in an unlawful conduct. In view of these circumstances, I have reason to fear that any answer I might make to the questions here asked and similar questions may possibly be used as a basis for criminal prosecution of myself.

I therefore must refuse to answer this question and similar questions relying on my privileges and rights under the fifth amendment and the Constitution of the United States of America.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. That includes telling us who got your attorney for you, Mr. Maloney?

Mr. MALONEY. Yes, sir.

Mr. KENNEDY. You don't want to tell the committee who got your attorney for you?

Mr. MALONEY. No, sir.

Mr. KENNEDY. Will you deny that it was——

The CHAIRMAN. Just a moment. The Chair does not think it is all important at this point, but certainly that was not a question involved in your indictment. You did not seek this attorney until after that indictment and you only sought this attorney according to the testimony in the last 2 or 3 days, is that correct?

(Witness consulted his counsel.)

Mr. MALONEY. Will you repeat the question of the Chairman, please.

The CHAIRMAN. I will repeat the question. I said the question about the attorney here had not transpired prior to the time that you were indicted. That is a matter that has occurred here during the last 2 or 3 days. Subsequent to your indictment, is that correct?

(Witness consulted his counsel.)

Mr. MALONEY. That it did.

The CHAIRMAN. That is correct, is it not?

Mr. MALONEY. Yes.

The CHAIRMAN. Now, the Chair wishes to ask you this question. Do you honestly believe that if you answered the question about who called you to get an attorney for your appearance here, that a truthful answer to that question might tend to incriminate you?

(Witness consulted his counsel.)

Mr. MALONEY. Yes.

The CHAIRMAN. Do you think that would also tend to incriminate you as well as to answering other questions?

Mr. MALONEY. That is right.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Maloney, did you also tell us that you had no money to pay an attorney, and therefore we had suggested that you go to the legal aid society?

(Witness consulted his counsel.)

Mr. MALONEY. I stand on my constitutional rights under the fifth amendment and refuse to answer that question.

Mr. KENNEDY. You take the fifth amendment on that?

Mr. MALONEY. Yes, sir.

Mr. KENNEDY. Have you received any moneys from anyone in the last 48 hours?

Mr. MALONEY. Have I received any money in the last 48 hours?

Mr. KENNEDY. Have you received any moneys to pay any attorney from anyone in the last 48 hours?

(Witness consulted his counsel.)

Mr. MALONEY. No.

Mr. KENNEDY. Are you paying this attorney yourself, Mr. Maloney?

(Witness consulted his counsel.)

Mr. RAND. Excuse us a moment.

(Witness consulted his counsel.)

(Senator Mundt entered the room.)

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

Mr. KENNEDY. Is your attorney being paid in any way by any teamsters official?

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

Mr. KENNEDY. Have you ever been an employee of the teamsters? (Witness consulted his counsel.)

Mr. MALONEY. No.

Mr. KENNEDY. You have not?

Mr. MALONEY. No.

Mr. KENNEDY. Have you ever received any money from the teamsters?

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

The CHAIRMAN. Just a moment. The Chair is going to order you to answer that question. You said you had never been employed by them and you are willing to answer that. Certainly you have waived in the Chair's estimation the right to say whether you have received any money from them.

(Witness consulted his counsel.)

Mr. MALONEY. I refuse to answer that question.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. MALONEY. I refuse to answer it under the fifth amendment.

Mr. KENNEDY. Have you received any moneys from Mr. Frank Brewster?

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

Mr. KENNEDY. How long have you known Mr. Frank Brewster?

(Witness consulted his counsel.)

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

Mr. KENNEDY. How many times did Mr. Frank Brewster set you up in business with union funds?

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

The CHAIRMAN. Let the Chair ask you, Do you honestly believe that if you answered that question truthfully that somebody let you have money to set up in business, Mr. Frank Brewster, that a truthful answer to that question might tend to incriminate you?

Mr. MALONEY. Mr. Chairman, I am under indictment in the State of Oregon.

The CHAIRMAN. You are not under indictment for borrowing money, are you?

Mr. MALONEY. I am under indictment, or under five indictments in the State of Oregon, charged with the violation of certain laws, and naturally they are going to try to connect the teamsters union and me together and try to convict me. I have got to stand on my constitutional rights and invoke the fifth amendment. I understand the fifth amendment, Mr. Chairman, is protecting the innocent as well as the guilty. Is that correct or am I wrong?

Mr. CHAIRMAN. You can place your own interpretation on it. You know better than I do whether you are guilty or innocent. You are invoking it so you place your own interpretation on it.

Mr. MALONEY. I stand on it and I invoke it.

Mr. CHAIRMAN. All right.

Mr. KENNEDY. Did you have an interest in the Maloney Sports center?

The CHAIRMAN. I would like to ask the witness one question. You used the word and term, you said in view of these indictments, naturally they were going to try to connect you with the teamsters union. Why do you use that term "naturally"?

Mr. MALONEY. I offer this letter that I wrote to you, that I am under indictment.

The CHAIRMAN. How did you happen to use it in the letter? Do you have the word "natural" in there?

Mr. MALONEY. I do not know. Can I read it over again to you?

The CHAIRMAN. It is your letter, and you may read it if you are not familiar with it. Do you have the word "natural" in there?

Mr. MALONEY. I don't know. I will read it and see.

The CHAIRMAN. All right, read it to yourself.

Mr. MALONEY (reading):

I am now under indictment in the State of Oregon.

The CHAIRMAN. Read the letter to yourself.

Mr. MALONEY. All right.

Mr. RAND. Have these photographers been asked to desist or are they supposed to comply with the rules of this committee as well as we are?

The CHAIRMAN. Just a moment. Now, if you want to make a request of the Chair, or make any statement, you may. The Chair has not observed any photographer taking a picture of the witness while he is testifying. The Chair will admonish each photographer present that any violation of the orders of the Chair means immediate expulsion of whoever violates the order.

Mr. RAND. Thank you, Mr. Chairman.

The CHAIRMAN. Proceed.

(Witness consulted his counsel.)

Mr. MALONEY. Mr. Chairman, I fear possible incrimination, and I read this—

The CHAIRMAN. I understood you to fear incrimination, but you used the word "naturally" they were going to try to tie up the teamsters union with you. You said you got the word "naturally" from that paper. In your letter before you, what have you written there?

Mr. MALONEY. I am wrong, sir.

The CHAIRMAN. You were wrong?

Mr. MALONEY. Yes, sir.

The CHAIRMAN. Now, why did you use the word "naturally"? You used it. I did not.

Mr. MALONEY. I refuse to answer that question.

The CHAIRMAN. The Chair orders and directs you to answer the question because you testified upon that point, that "naturally" they were going to try to tie you up with the teamsters union. Will you state why? The Chair directs you to state why you used the term "naturally" and how does it apply. How is it relative to your testimony?

Mr. MALONEY. I stand on my constitutional rights and invoke the fifth amendment to that question.

The CHAIRMAN. You refuse to answer that question?

Mr. MALONEY. That is right.

The CHAIRMAN. You are ordered and directed to answer it.

Mr. MALONEY. I refuse to answer it.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. I was asking you about the Maloney Sports Center. Do you have an interest in the Maloney Sports Center?

(Witness consulted his counsel.)

Mr. KENNEDY. Let me rephrase that. Did you have an interest in the Maloney Sports Center?

(Witness consulted his counsel.)

Mr. MALONEY. I stand on my constitutional rights and refuse to answer the question.

Mr. KENNEDY. Did Mr. Frank Brewster have any interest in the Maloney Sports Center?

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

Mr. KENNEDY. Have you given to Frank Brewster directly or indirectly in the past 20 years any moneys that you made from your various businesses?

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

Mr. KENNEDY. Have you been involved in bootlegging or gambling?

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

Mr. KENNEDY. Did you give Mr. Frank Brewster any moneys received from bootlegging and gambling?

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

The CHAIRMAN. Do you honestly believe that the answering of these questions truthfully might tend to incriminate you?

Mr. MALONEY. Yes.

The CHAIRMAN. You honestly believe that.

Mr. MALONEY. I refuse to answer.

(Witness consulted his counsel.)

Mr. MALONEY. I do.

Mr. RAND. I wanted the record to show the nod, sir.

The CHAIRMAN. I am sure the counsel is obeying the rules, and he can only advise his witness as to his legal rights.

Mr. RAND. I merely wanted the record to show the nod, verbatim, as it were.

The CHAIRMAN. We are glad to get the verbal answer.

Mr. KENNEDY. I just have a couple of more questions I want to ask at this time.

First, do you know Mr. Joseph Patrick McLaughlin?

Mr. MALONEY. I refuse to answer that question under the fifth amendment.

The CHAIRMAN. You mean you honestly believe it might tend to incriminate you if you admitted you know someone?

Mr. MALONEY. I do.

The CHAIRMAN. Maybe you are right. Proceed.

Mr. KENNEDY. Do you know Mr. Clyde Crosby, international organizer of the teamsters, with headquarters in Portland, Oreg.?

Mr. MALONEY. I refuse to answer that question under the constitutional rights and invoke the fifth amendment.

Mr. KENNEDY. Do you know Mr. William Langley, presently district attorney in Multnomah County, State of Oregon?

MR. MALONEY. I refuse to answer that question under the fifth amendment.

The CHAIRMAN. Have you not had conferences with him?

(Witness consulted his counsel.)

MR. MALONEY. I refuse to answer that question under the fifth amendment.

The CHAIRMAN. Have you not had conferences with him, with reference to gambling, racketeering and other business matters regarding Portland, Oreg.?

MR. MALONEY. I refuse to answer that question under the fifth amendment of the Constitution of the United States of America.

The CHAIRMAN. If a record of your conversation is played in your presence, will you say whether you recognize your own voice or not?

MR. MALONEY. I refuse to answer that under the fifth amendment.

The CHAIRMAN. In other words, you think it would incriminate you to acknowledge your own voice if you heard it on those records?

MR. MALONEY. I do.

The CHAIRMAN. Thank you.

MR. KENNEDY. That is all at this time, Mr. Chairman.

I have just one other document that I would like to have him recognize or identify prior to calling the next witness.

The CHAIRMAN. The Chair presents to you a document, the title of it is "Assignment" and it is dated on the 29th day of March 1950, and appears to be signed by Thomas E. Maloney, and it is acknowledged before a notary public, Edward P. Ferris. This is a photostatic copy of the original, and the Chair directs the clerk to present it to you, and asks that you examine it.

(Document handed to witness.)

(The document referred to was later introduced as exhibit 16, and will be found in the appendix on p. 366.)

The CHAIRMAN. And ask that you identify it.

MR. Reporter, let the record show that the clerk of the committee presented the document to Mr. Maloney, and he is presently examining it.

(Witness consulted his counsel.)

MR. MALONEY. I refuse to identify this letter, and I stand on my constitutional rights and invoke the fifth amendment.

The CHAIRMAN. You refuse to identify it, just to say that you recognize it?

MR. MALONEY. I do not recognize it. I stand on my constitutional rights.

The CHAIRMAN. The question is, Do you or do you not recognize it as a photostatic copy of the original?

MR. MALONEY. I do not.

The CHAIRMAN. You do not?

MR. MALONEY. No.

The CHAIRMAN. You say you do not?

MR. MALONEY. That is right.

The CHAIRMAN. Do you recognize your signature on it?

MR. MALONEY. I stand on my constitutional rights.

The CHAIRMAN. You are ordered and directed to answer that question, and you have testified that you do not recognize the document.

(Witness consulted his counsel.)

The CHAIRMAN. I ask you whether you recognize your own signature.

Mr. MALONEY. I stand on my privileges and invoke the fifth amendment.

The CHAIRMAN. You are refusing to answer notwithstanding the order and direction of the Chair to do so.

Mr. MALONEY. That is right.

The CHAIRMAN. Will you write your signature on that pad there by you, with a pencil?

Mr. RAND. Do the rules of the committee permit the Chair to request the witness to write his signature? I thought he was subpoenaed here merely to give testimony.

The CHAIRMAN. He is.

Mr. RAND. I therefore would like to object on behalf of the witness to the demand by the Chair here that the witness do the physical act of writing his signature, sir.

The CHAIRMAN. You may object and the Chair is going to order him to do it. He can stand on his constitutional rights again, if he wishes to. But there is a document presented to him which he says he does not recognize. He stood on his constitutional privilege and refused to state whether he recognized it or not. There might have been some justification for the objection that you now interpose, but since he has sworn under oath that he does not recognize it, and then refuses to identify his signature, I am ordering and directing the witness to write his signature on the pad there by him.

(Witness consulted his counsel.)

Mr. MALONEY. I decline to do that and stand on my constitutional rights.

The CHAIRMAN. Do you think the writing of your signature might tend to incriminate you?

(Witness consulted his counsel.)

The CHAIRMAN. Do you honestly believe that?

Mr. MALONEY. I do.

The CHAIRMAN. Proceed, Mr. Counsel.

Senator GOLDWATER. Mr. Maloney, were you campaign chairman for William Langley in 1954?

(The witness consulted his counsel.)

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

The CHAIRMAN. Are there any further questions at the moment?

Mr. KENNEDY. Just while Mr. Maloney is here, we have an affidavit and material to be put in the record at this time.

Mr. CHAIRMAN. Do you want to read it in the presence of the witness.

Mr. KENNEDY. Yes.

The CHAIRMAN. Do you want to interrogate him about it?

Mr. KENNEDY. I do not think it will be necessary.

The CHAIRMAN. The Chair will read the affidavit and it may be that some member of the committee would wish to question Mr. Maloney on it.

I, Rita Marie Prash, residing at 716 39th Avenue, Seattle, Wash., having been duly sworn on my oath, do voluntarily depose and say that:

I was employed by the Western Conference of Teamsters as Frank W. Brewster's private secretary from about May 1954 to about July 1955. My duties

were to act as secretary and receptionist in Mr. Brewster's office, arrange hotel and travel reservations for him and others at his direction, and purchase the tickets for their travel.

An air travel card was issued to me by the Western Conference of Teamsters, and all charges for travel purchased with this card were charged to the Western Conference of Teamsters. I note from the records presented to me by Lucius F. Thompson, who has identified himself to me as an investigator, United States General Accounting Office, that my air travel card was numbered UQ 13110 N 177158.

I have been shown a photostatic copy of two Northwest Airlines transportation receipts showing the imprint of air travel card No. UQ 13110 N 177158 and which I identify as having been signed by me. I further identify the transportation receipt dated November 30, 1954, as being for the purchase of Northwest Airlines ticket No. 499091 for the use of Tom Maloney to travel from Seattle to Spokane and return; and I identify the receipt dated December 18, 1954, as being for the purchase of Northwest Airlines ticket No. 31346 for the use of Tom Maloney to travel from Seattle to Spokane. These tickets were purchased by me for Tom Maloney upon instructions from Mr. Brewster.

I remember Tom Maloney as he visited Mr. Brewster at his office several times while I worked there. He would on occasion come to Mr. Brewster's office accompanied by John J. Sweeney, former secretary-treasurer of the Western Conference of Teamsters, and Fred Galeno.

Sometimes he came to the office alone and would talk with Mr. Brewster in his private office for a few minutes. On occasions when Mr. Brewster was downstairs in the steamroom, Maloney would leave after I told him where Mr. Brewster was, and I presume he went to the steamroom to see Mr. Brewster.

During the time I worked for the Western Conference of Teamsters, I was instructed on a few occasions to arrange transportation for Mel Eisen, a racehorse trainer, and for Richard Cavallero, who is a racehorse jockey. I purchased tickets for them with the aforementioned air travel card, charging the travel to the Western Conference of Teamsters. These tickets were purchased at the request of Frank Brewster.

I solemnly swear that the foregoing statement dated this 23d day of February 1957, consisting of one page, has been read by me and that it is true and correct to the best of my knowledge and belief, so help me God.

It is subscribed and sworn to a notary public on the 23d day of February, and I cannot make out the name at the moment.

I have just one question, Mr. Maloney. You have heard this affidavit read regarding transportation being purchased for you by the Western Conference of Teamsters by this lady, Mr. Prash, and that your transportation was paid for by the Western Conference of Teamsters. Do you wish to deny it?

Mr. MALONEY. I stand on my constitutional rights and invoke the fifth amendment to that question.

The CHAIRMAN. How much transportation has the Western Conference of Teamsters provided you?

Mr. MALONEY. I still stand on my constitutional rights and invoke the fifth amendment.

The CHAIRMAN. What service were you performing for the teamsters that entitled you to this consideration?

Mr. MALONEY. I still stand on my constitutional rights and invoke the fifth amendment.

The CHAIRMAN. You do not want to say anything about it?

Mr. MALONEY. I still stand on my constitutional rights and invoke the fifth amendment.

The CHAIRMAN. That means you do not want to, does it not? I am giving you the opportunity if you want to explain it. You do not want to?

Mr. RAND. I think the record is clear.

The CHAIRMAN. I am trying to make sure it is clear.

Mr. MALONEY. I stand on my constitutional rights.

Mr. KENNEDY. Mr. Chairman, here are the documents showing the tickets and the Western Conference of Teamsters paying the bills. These were received from the Western Conference of Teamsters and also from United Airlines.

They have indications there showing on Northwest Airlines that the ticket was purchased for Tom Maloney by this travel card, \$18.87 for one trip and for the other one similar, \$31.35 and here are the checks.

The CHAIRMAN. These are photostatic copies. It is well to state that the committee has these documents and can we say who secured those?

Mr. KENNEDY. They were sent to us from Seattle and they were secured by an investigator out there.

The CHAIRMAN. Since you have an affidavit to the fact, the Chair will let these as a group be made a part of the record at the present time for reference only. They will be made exhibit No. 15 for reference.

(The documents referred to were marked "Exhibit No. 15" for reference and will be found in the appendix on pp. 362-365.)

The CHAIRMAN. They will not be printed in the record until they are further identified, but they do correspond with the affidavit just read.

Mr. KENNEDY. While Mr. Maloney is still here, this document that he did not want to recognize is of some interest in view of the next witness. Perhaps we can read it in the record.

The CHAIRMAN. The document presented to you entitled, "An Assignment," upon which appears your signature and which you examined, but which you refused to identify, the Chair will now read:

Know all men by these presents, that I, Thomas E. Maloney, of the city and county of Spokane, State of Washington, in consideration of \$10 and other valuable consideration, receipt of which is hereby acknowledged, do hereby assign to J. P. McLaughlin, of 906 First Avenue, Seattle, Wash., all my right, title, and interest in a certain conditional sales contract dated December 6, 1949, by and between Larry L. Raizner and Thomas E. Maloney, as vendors and Earl W. Peterson as purchaser.

Said contract being filed with the office of the county auditor of Spokane County, Wash., being Document No. 921826A, and said contract being in escrow in the Washington Trust Co. in the city and county of Spokane, State of Washington.

In witness whereof, I have hereunto set my hand and seal in the city of Spokane, State of Washington, on this 29th day of March 1950.

I need not read the acknowledgement. It is acknowledged by Edard P. Ferris, notary public. I believe I said that a while ago.

That document may have some further significance and, therefore, it will be made at present exhibit No. 16 for reference.

(The document referred to was marked "Exhibit No. 16" for reference and will be found in the appendix on p. 366.)

Mr. KENNEDY. Just let me ask you a few questions about that. You had an interest at that time, you and Mr. Raizner, in the Maloney Sport Center of about \$10,000.

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

Mr. KENNEDY. And you signed that, your interest in that to Mr. Joseph P. McLaughlin for \$10 and other valuable considerations.

Mr. MALONEY. I refuse to answer that.

Mr. KENNEDY. Will you tell the committee what the other valuable consideration was?

Mr. MALONEY. I refuse to answer that question and invoke the fifth amendment.

The CHAIRMAN. You may stand aside. You are not excused from further attendance and you may be recalled, and so await orders and instructions from the Chair.

Mr. RAND. Does that also preclude the possibility of recall this afternoon?

The CHAIRMAN. He could be recalled this afternoon. Call the next witness.

Mr. KENNEDY. Mr. Joseph McLaughlin.

(Present were Senators McClellan, Ives, Kennedy, McNamara, Mundt, and Goldwater.)

The CHAIRMAN. Will you be sworn?

Do you solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. McLAUGHLIN. I do.

TESTIMONY OF JOSEPH P. McLAUGHLIN, ACCOMPANIED BY CHARLES E. RAYMOND, COUNSEL

The CHAIRMAN. Mr. McLaughlin, will you state your name and your place of residence and your business or occupation?

Mr. McLAUGHLIN. Will you repeat that?

The CHAIRMAN. Just state your name and your place of residence and your business or occupation.

Mr. McLAUGHLIN. My name is Joseph McLaughlin. I live in 1903 Crescent Drive, Seattle, Wash. At the present time I am not in business.

The CHAIRMAN. At the present time you are not what?

Mr. McLAUGHLIN. In business.

The CHAIRMAN. Are you employed? Do you have any occupation?

Mr. McLAUGHLIN. I was in business up to the 1st of October.

The CHAIRMAN. What kind of business?

Mr. McLAUGHLIN. Restaurant business.

The CHAIRMAN. Where?

Mr. McLAUGHLIN. 906 First Avenue, in Seattle, Wash.

The CHAIRMAN. Now, Mr. McLaughlin, have you elected to have counsel present?

Mr. McLAUGHLIN. Yes; I have, sir.

The CHAIRMAN. Counsel, will you identify yourself, please, sir?

Mr. RAYMOND. My name is Charles E. Raymond, of the Oregon bar.

The CHAIRMAN. Mr. Raymond, I assume that you are licensed to practice there?

Mr. RAYMOND. Yes; and in the United States Supreme Court.

The CHAIRMAN. We accept your statement about that. You of course, are familiar with the rules of the committee and you may appear for the purpose of advising your client with respect to his legal rights.

Senator MUNDT. I would like to have the office address of the counsel. Is it Spokane or Seattle?

Mr. RAYMOND. I am a resident of Portland, Oreg.

Senator MUNDT. Your office is in Portland, Oreg.?

Mr. RAYMOND. Yes. I was prosecutor there until 2 years ago.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. McLaughlin, you come originally from Cleveland, Ohio, do you?

Mr. McLAUGHLIN. That is right.

Mr. KENNEDY. And for how long a period did you live there?

Mr. McLAUGHLIN. Well, in my early twenties.

Mr. KENNEDY. And you moved to where, then?

Mr. McLAUGHLIN. Springfield, Mass.

Mr. KENNEDY. Did you serve any time in prison prior to leaving Cleveland?

Mr. McLAUGHLIN. I served an indefinite sentence in Mansfield Reformatory.

Mr. KENNEDY. That was the only conviction that you had up to the time you left Cleveland?

Mr. McLAUGHLIN. Well, it is a long way back.

Mr. KENNEDY. To the best of your recollection.

Mr. McLAUGHLIN. To the best of my recollection, any felony, that is the only one, like I say.

Mr. KENNEDY. Then you went to Springfield, Mass.?

Mr. McLAUGHLIN. That is right.

Mr. KENNEDY. And you stayed there how long?

Mr. McLAUGHLIN. About a year.

Mr. KENNEDY. From there you went to where?

Mr. McLAUGHLIN. Well, I went to New York and got myself a job going to sea.

Mr. KENNEDY. And you went to sea for how long after that?

Mr. McLAUGHLIN. I judge about 10 years.

Mr. KENNEDY. What period of time would that be, approximately, Mr. McLaughlin?

Mr. McLAUGHLIN. Well, I am 58 years old and I will be 59 in June and so I must have been around—at the time I was going to sea you mean?

Mr. KENNEDY. Yes; about that 10-year period, approximately when was that?

Mr. McLAUGHLIN. Possibly between 22 or 23 years old and 33 or something in that neighborhood.

Mr. KENNEDY. That would be in the mid-1930's or the twenties?

Mr. McLAUGHLIN. I would say so; I was born in 1899.

Mr. KENNEDY. About 1925 to 1935?

Mr. McLAUGHLIN. About that time.

Mr. KENNEDY. Then where did you move to after you finished going to sea?

Mr. McLAUGHLIN. I went to sea and I got off the boat on my final trip—

Mr. KENNEDY. When you finally settled down.

Mr. McLAUGHLIN. On the west coast, in Seattle, Wash.

Mr. KENNEDY. You have been in Seattle, and has that been your headquarters since that time?

Mr. McLAUGHLIN. That is right; with the exception of about 7 or 8 years I was in California.

Mr. KENNEDY. You are also known by a name other than Joe McLaughlin?

Mr. McLAUGHLIN. Yes, sir.

Mr. KENNEDY. What is that name?

Mr. McLAUGHLIN. Joe McKinley.

Mr. KENNEDY. And you are also known as Joe McGinley?

Mr. McLAUGHLIN. I don't think so. The way that came about in those years the ship would be going out and they were signed up and they had regulations to go aboard and work on a ship. You would be down there at signing-up time and if someone didn't show you would be there and you could go right to work and you could go out on a trip.

I went aboard with the Alaska Steamship Co. and the ship was sailing out and I was signing the articles and there was a job open. When it came time for me to sign on to get the job, I didn't have any lifeboat ticket with me. It was a requirement in order to sign on a passenger ship. So, one of the fellows there by the name of McKinley handed me his lifeboat ticket and I went ahead and signed on under the name of McKinley.

Mr. KENNEDY. Have you been known in Seattle since that time by that name?

Mr. McLAUGHLIN. I worked, I believe, about a year possibly or less, on that boat and there were 40 or 50 fellows working on the boat and they came and went. The run was up to Seward, Alaska, and it would take about a week or about a 3-week trip, less than a month, and so different fellows quit and they would sign on and what have you.

So, there were quite a number of people, seamen, at that time, who knew me under the name of "McKinley" because once I signed on the ship as "McKinley"—

Mr. KENNEDY. You were pretty well known as McKinley?

Mr. McLAUGHLIN. At that time I was, and there were an awful lot of seamen that frequented my restaurant and bar and cocktail lounge, and those fellows that I had known 25 or 30 years, they still call me "McKinley."

Mr. KENNEDY. What business did you go into in Seattle after you got out or stopped shipping out?

Mr. McLAUGHLIN. I believe I first went to work at Hileah Cafe in Seattle. I believe that was the first one, the first place that I worked.

Mr. KENNEDY. During this early period of time, did you meet Mr. Frank Brewster?

Mr. McLAUGHLIN. Well, possibly some years after I was in Seattle, I met Frank Brewster.

Mr. KENNEDY. How long ago would that have been and how long have you known Mr. Frank Brewster? For about 20 years?

Mr. McLAUGHLIN. Something like that, or 15 or 20 years.

Mr. KENNEDY. Did you ever have any business interests together, you and Frank Brewster?

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. You never did?

Mr. McLAUGHLIN. I never did.

Mr. KENNEDY. He never had any interest in any of your businesses?

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. Did you ever pay him or give him any money directly or indirectly?

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. You never did?

Mr. McLAUGHLIN. I never did.

Mr. KENNEDY. You were just friends, is that right?

Mr. McLAUGHLIN. Well, I don't know whether you would say friends or acquaintances. Seattle is a small town and if your same interests might go in one direction, such as horses or you happen to eat in restaurants, there are certain good restaurants and certain restaurants you might frequent, and you run into them, and you get to know someone.

I feel as though by seeing the man and knowing who he was, and where he was, and you say, "Hello," and I just don't know how that happened. It is a while back to remember now.

Mr. KENNEDY. You just got to be friends, is that right? You had the same interests?

Mr. McLAUGHLIN. I didn't have the same interests.

Mr. KENNEDY. What was the basis of your friendship? Did you like one another?

Mr. McLAUGHLIN. No, it wasn't that close. I have never been that close to Mr. Brewster.

Mr. KENNEDY. You never have?

Mr. McLAUGHLIN. No.

Mr. KENNEDY. Have you ever received any funds from the union, any moneys from the union?

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. Has the union ever paid any of your bills?

Mr. McLAUGHLIN. I cannot answer that question.

Mr. KENNEDY. You do not know the answer?

Mr. McLAUGHLIN. I would like to read at this time the reason why I can't answer it, if I may.

The CHAIRMAN. You may read it.

Mr. McLAUGHLIN. I am sorry that I cannot answer that question. As you know I am under indictment out in Portland, Oreg., on several gambling and conspiracy charges. My answer would tend to incriminate me under both Federal and State criminal laws. I, therefore, claim my constitutional privileges, especially under the 5th amendment and 14th amendment of the Constitution of the United States of America and section 12 of article I of the constitution of the State of Oregon.

Mr. KENNEDY. Let me ask you this: Prior to the time you went to Portland, Oreg., had the union ever paid any of your bills?

Mr. McLAUGHLIN. What did you say?

Mr. KENNEDY. Prior to the time you went to Portland, Oreg., in 1954, had the union paid any of your bills?

Mr. McLAUGHLIN. I cannot answer that question on the same grounds as I gave.

The CHAIRMAN. May I ask you a question. Do you honestly believe that if you answered the question truthfully it would tend to incriminate you as you say in your statement? You did not say that it might tend to, you said that it would tend to incriminate you.

Do you honestly believe that, that a truthful answer under oath would tend to incriminate you or might tend to incriminate you?

Mr. McLAUGHLIN. I am sorry that I cannot answer that question for the same reason. As you know I am under indictment in Portland,

Oreg., and several gambling and conspiracy charges are against me, and my answer might tend or would tend to incriminate me, under both Federal and State criminal laws, and I, therefore, claim my constitutional privileges under the 5th and 14th amendments of the Constitution of the United States of America and section 12 of article I of the constitution of the State of Oregon.

The CHAIRMAN. Let the Chair advise you that I am not asking you to state anything that might tend to incriminate you. I am simply asking you about your honest belief and whether you are being honest with this committee now in giving your testimony under oath, whether you honestly believe if you told the truth that a truthful answer might tend to incriminate you.

Mr. McLAUGHLIN. Yes; I do, sir.

The CHAIRMAN. That is all you have to say.

Mr. KENNEDY. In that connection, how many counts are you under indictment for?

Mr. McLAUGHLIN. About 8 or 9 counts.

Mr. KENNEDY. In Portland, Oreg.?

Mr. McLAUGHLIN. Yes.

Mr. KENNEDY. You have been married twice, have you, Mr. McLaughlin?

Mr. McLAUGHLIN. Yes.

Mr. KENNEDY. Your first wife's name was Dorothy?

Mr. McLAUGHLIN. That is right.

Mr. KENNEDY. Did she live in Honolulu for a time?

Mr. McLAUGHLIN. Do you mean after or before or what?

Mr. KENNEDY. During the time you were married to her.

Mr. McLAUGHLIN. No; not to my knowledge.

Mr. KENNEDY. She never was there?

Mr. McLAUGHLIN. The girl was an entertainer and where her work was—she was an entertainer.

Mr. KENNEDY. Is this in Honolulu?

Mr. McLAUGHLIN. Not to my knowledge.

Mr. KENNEDY. Did you ever know she was in Honolulu?

Mr. McLAUGHLIN. From what I can remember back, I have tried to put as much of those years of my life out of my mind as I can. She had signed up with a troop in show business for the Orient. That is all I know in regard to that as far as any other country or being away from Seattle.

Mr. KENNEDY. Were you receiving any income from her at that time?

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. You never were?

Mr. McLAUGHLIN. No.

Mr. KENNEDY. Any of the money she made during this period of time.

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. You were not?

Mr. McLAUGHLIN. No.

Mr. KENNEDY. You talked about selling your home in October of 1956, or selling your business when the chairman was asking you earlier, is that correct? You sold your business or your home?

Mr. McLAUGHLIN. My business.

Mr. KENNEDY. What was it that you sold in Seattle?

Mr. McLAUGHLIN. My interest in Battersley & Smith.

Mr. KENNEDY. Did you have a meeting in connection with that on the night of October 22, with a Mr. Richard Mahoney, formerly of the Seattle Police Department? Do you remember that meeting with Mr. Richard Mahoney?

Mr. McLAUGHLIN. I remember meeting Mr. Mahoney.

Mr. KENNEDY. What was that in connection with?

Mr. McLAUGHLIN. I guess my troubles, just general conversation. You mean Richard Mahoney?

Mr. KENNEDY. Yes.

Mr. McLAUGHLIN. Yes, that is right.

Mr. KENNEDY. What were you talking to him about?

Mr. McLAUGHLIN. I have known the man possibly 25 years.

Mr. KENNEDY. Were you talking generally about your troubles?

Mr. McLAUGHLIN. He was sorry to hear and it was the first I had seen him for a long time.

Mr. KENNEDY. Had you ever had any business dealings with him?

Mr. McLAUGHLIN. No, sir.

Mr. KENNEDY. What about Mr. Chaffey? Do you know Mr. Chaffey who used to be in the Seattle Police Department?

Mr. McLAUGHLIN. He is dead now.

Mr. KENNEDY. Did you ever have any business dealings with Mr. Chaffey?

Mr. McLAUGHLIN. No.

Mr. KENNEDY. Did you ever hear of the Hollywood mob? Did you ever hear of them?

Mr. McLAUGHLIN. The Hollywood mob?

Mr. KENNEDY. Yes.

Mr. McLAUGHLIN. No; I haven't heard of them.

Mr. KENNEDY. Did you know a man by the name of Al Krantz?

Mr. McLAUGHLIN. Yes.

Mr. KENNEDY. Did you ever have any business dealings with Al Krantz?

Mr. McLAUGHLIN. No.

Mr. KENNEDY. Who was Al Krantz and how did you happen to know him?

Mr. McLAUGHLIN. I met him when I was in the reformatory in Mansfield, Ohio.

Mr. KENNEDY. Did you ever get a job for him?

Mr. McLAUGHLIN. Yes; he went to work for me in the Mecca Cigar Store and Restaurant.

Mr. KENNEDY. You had a business called Battersley & Smith?

Mr. McLAUGHLIN. That is right.

Mr. KENNEDY. What was that business?

Mr. McLAUGHLIN. It is a restaurant, cocktail lounge, and beer bar. In Washington they didn't have whisky until the last few years. It was a beer parlor at that time and now it is a cocktail lounge. It is a restaurant and cigar store, what you term a combination store, which is very popular in Seattle, Wash., and throughout Washington and also a licensed card room.

Mr. KENNEDY. Did you also have a horse service?

Mr. McLAUGHLIN. We have a ticker tape there that we leased off Western Union.

Mr. KENNEDY. What is that?

Mr. McLAUGHLIN. A ticker tape.

Mr. KENNEDY. What was the ticker tape for?

Mr. McLAUGHLIN. All sporting events and what have you. And there are quite a few of them leased out and they are legitimate.

Mr. KENNEDY. Everybody was very much interested in sports?

Mr. McLAUGHLIN. That is right and there are possibly 25 places today in Seattle, Wash., under the same type of business. You have a ticker tape there and you have the sporting events and football and baseball and basketball.

Mr. KENNEDY. Would there be some betting there?

Mr. McLAUGHLIN. I cannot answer that question, I am sorry. As you know my answer would tend to incriminate me under both Federal and State criminal laws, and, therefore, I claim my constitutional privileges, especially under the 5th and 14th amendments.

The CHAIRMAN. That is the same statement you read before?

Mr. McLAUGHLIN. Yes.

The CHAIRMAN. It may be considered read. Proceed.

Mr. KENNEDY. I would like to ask you about some more of your associates; Mr. Peter O'Donnell, do you know him?

Mr. McLAUGHLIN. Yes, I know Peter O'Donnell.

Mr. KENNEDY. How did you know Peter O'Donnell?

Mr. McLAUGHLIN. We were kids together in Cleveland, Ohio.

Mr. KENNEDY. Was he ever in Seattle?

Mr. McLAUGHLIN. Yes, sir.

Mr. KENNEDY. He moved to Seattle and did you sort of pal around together, the five or six of you?

Mr. McLAUGHLIN. No. Pete O'Donnell came out to Seattle and later on he moved his family out there and his wife.

Mr. KENNEDY. Did he get into any difficulty with the law out there, and was he ever arrested?

Mr. McLAUGHLIN. He might have got arrested in prohibition days. I am not sure.

Mr. KENNEDY. But he was a friend of yours?

Mr. McLAUGHLIN. We were kids together in Cleveland, Ohio.

Mr. KENNEDY. I am talking about Seattle, now, and was he a friend of yours in Seattle?

Mr. McLAUGHLIN. Yes.

Mr. KENNEDY. What about Jake "Fat" Brown?

Mr. McLAUGHLIN. Yes, I know him.

Mr. KENNEDY. Is he a friend of yours?

Mr. McLAUGHLIN. He lived right in back of me, in the next street.

Mr. KENNEDY. In Seattle?

Mr. McLAUGHLIN. Yes, and he is not a friend of mine, but he worked in possibly 10 or 15 places in Seattle that I did.

Mr. KENNEDY. What kind of places did he work in?

Mr. McLAUGHLIN. Combination stores and beer parlors, and he was mostly in charge of cardrooms.

Mr. KENNEDY. He was interested in gambling, was he?

Mr. McLAUGHLIN. Well, it is not considered gambling out there, or it is city-licensed cardrooms.

Mr. KENNEDY. Did he ever have any difficulty with the law? Was he ever arrested?

Mr. McLAUGHLIN. I don't know.

Mr. KENNEDY. You do not remember anything about that?

Mr. McLAUGHLIN. I do not remember anything about that.

Mr. KENNEDY. What about John A. Earl? Was he a friend of yours?

Mr. McLAUGHLIN. Yes; I don't think that I have seen him 5 times in 5 years or 10 years.

Mr. KENNEDY. Back in 1944 and 1946, was he a friend of yours?

Mr. McLAUGHLIN. That is right.

Mr. KENNEDY. What did he do? What was his job?

Mr. McLAUGHLIN. I believe he was either working or associated in a place that I was interested in called the Mecca Tavern.

Mr. KENNEDY. What did he do there for you?

Mr. McLAUGHLIN. He worked there.

Mr. KENNEDY. Did he ever get into any difficulty? Was he ever arrested?

Mr. McLAUGHLIN. I don't think so. I can't recall of him ever being arrested.

Mr. KENNEDY. You cannot remember that, around 1945?

Mr. McLAUGHLIN. I can't remember him getting into any trouble. He might—

Mr. KENNEDY. And Herb Hallowell; do you remember him?

Mr. McLAUGHLIN. Herb Hallowell? I believe I know whom you are referring to.

Mr. KENNEDY. Do you know him?

Mr. McLAUGHLIN. I think it is 20 years, or 15 or 20 years.

Mr. KENNEDY. Do you know if he got into any difficulty?

Mr. McLAUGHLIN. All I can remember of him is that he was in the garage business.

Mr. KENNEDY. What about William Perante? Do you know him?

Mr. McLAUGHLIN. Yes; I know him.

Mr. KENNEDY. Did you ever hear that this group all moved together and were called the Joe McKinley mob?

Mr. McLAUGHLIN. Now, just a minute. Just a minute, Mr. Kennedy. Some of these men that you mentioned—I didn't have a thousand dollars when they owned garages, when they owned different clubs. You have asked about people that have been in business there in Seattle. I never heard of a mob, the Joe McKinley mob or Joe McLaughlin mob. I never heard of any kind of mob or gang in Seattle, Wash.

Mr. KENNEDY. Back in 1944?

Mr. McLAUGHLIN. At any time; I never heard of any kind of a mob.

Mr. KENNEDY. You never organized any kind of a group out there?

Mr. McLAUGHLIN. No. I tried to make a living.

Mr. KENNEDY. What was the source of your income in 1944 and 1946?

Mr. McLAUGHLIN. Well, 1946, I would be in Battersby & Smith.

Mr. KENNEDY. Is that the only place you got any income in that period of time?

Mr. McLAUGHLIN. That is right, and other incomes I had from real-estate investments. Right now, to be exact here, I would have to see my income-tax thing to know.

Mr. KENNEDY. How long have you known Tom Maloney?

Mr. McLAUGHLIN. About 25 years, I guess; 20 or 25 years.

Mr. KENNEDY. Was he a friend of Frank Brewster's during this period of time?

Mr. McLAUGHLIN. Well, I don't know whether I can answer that question. I heard inferences on the question, but I don't—I would have to feel as though he was a friend of Frank Brewster.

Mr. KENNEDY. Frank Brewster?

Mr. McLAUGHLIN. That is right.

Mr. KENNEDY. And did you and Tom Maloney, prior to the time that you came to Portland, Oreg., did you and he go into any kind of business together?

Mr. McLAUGHLIN. No; I never did.

Mr. KENNEDY. Did you ever have any business transactions with him?

Mr. McLAUGHLIN. I loaned him some money to go into business.

Mr. KENNEDY. What about the Maloney Sport Center? Did you take over the interests of the Maloney Sport Center?

Mr. McLAUGHLIN. No. To get my money out of it, I took my note. When he sold the place, there was so much cash, and he got a note. I got after him for the balance of my money that he owed, and he turned the note over to me. He done it in Spokane. I never went to Spokane or to the bank. He signed his interest in the note over to me, and with it, as the man that bought the place would make his monthly payments, it would be sent to me. That is the way I got my money out of the deal.

Mr. KENNEDY. How much money did you have in that?

Mr. McLAUGHLIN. Well, it was twice. I think first when he came to see me about putting this place in—

Mr. KENNEDY. Just approximately how much?

Mr. McLAUGHLIN. First I had \$2,500 and then I think I was in that far and then I had to go for another \$1,000.

Mr. KENNEDY. So you had about \$3,500?

Mr. McLAUGHLIN. I think so.

Mr. KENNEDY. Did you ever have any interest in any other of Tom Maloney's projects?

Mr. McLAUGHLIN. No; I had no interest in them.

Mr. KENNEDY. Anything else that Tom Maloney did?

Mr. McLAUGHLIN. I don't understand.

Mr. KENNEDY. Did you ever have any interest, financial interest, in any business that Tom Maloney was interested in, or any project that Tom Maloney was interested in?

Mr. McLAUGHLIN. I can't recall that I did.

Mr. KENNEDY. Do you think it is possible that you might have?

Mr. McLAUGHLIN. I can't recall.

Mr. KENNEDY. Do you think if you thought about it you could recall? Do you think you would ever recall?

Mr. McLAUGHLIN. No; I can't.

Mr. KENNEDY. You could not ever recall, even if you thought?

Mr. McLAUGHLIN. Do you mean putting money in with him in his businesses?

Mr. KENNEDY. Yes, or in business together.

Mr. McLAUGHLIN. No.

Mr. KENNEDY. What?

Mr. McLAUGHLIN. No.

Mr. KENNEDY. The answer is "No"?

Mr. McLAUGHLIN. I can't recall any.

Mr. KENNEDY. You do not think you can recall?

(The witness conferred with his counsel.)

(At this point, Senator Goldwater withdrew from the hearing room.)

(Members present at this point: The Chairman, Senators Ives, Kennedy, McNamara, and Mundt.)

Mr. McLAUGHLIN. Do you mean a straight business?

Mr. KENNEDY. No.

Mr. McLAUGHLIN. What do you mean? The question isn't—

The CHAIRMAN. Let us have a little order, please.

Mr. McLAUGHLIN. The question I can't get clear, so with it I would have to claim the fifth amendment and my constitutional rights.

The CHAIRMAN. That is what it means: Did you have any business relations with him, whether it is a mercantile business, or any other kind of business, some project to take over something and make a profit out of it? I can go on and talk that way in round figures for a long time, but you know pretty well what I mean.

Mr. McLAUGHLIN. I cannot answer that question. My answer would tend to incriminate me under the Federal and State criminal laws.

The CHAIRMAN. That is the same statement you read. Consider it read again.

Proceed.

Mr. KENNEDY. You went down to Portland with Mr. Tom Maloney, did you?

Mr. McLAUGHLIN. No; I didn't go down to Portland. Let me get the question right.

Mr. KENNEDY. Let me ask it again, then. Did you ever meet with Tom Maloney down in Portland?

Mr. McLAUGHLIN. I cannot answer that question, on my constitutional rights.

Mr. KENNEDY. You feel that because you are under indictment you cannot answer any questions about that?

Mr. McLAUGHLIN. I have to stand on my constitutional rights from the standpoint, like I say, I am under 8 or 9 indictments there in Portland, Oreg., and possible Federal and State laws. I have to claim my constitutional privileges under the fifth amendment.

Mr. KENNEDY. Let me ask you this, Mr. McLaughlin: Is it not a fact that you went down to Portland, Oreg., with Tom Maloney, to take over certain of the vice there in that city?

(The witness conferred with his counsel.)

Mr. McLAUGHLIN. What do you mean by vice?

Mr. KENNEDY. Well, gambling, prostitution, after-hour places?

Mr. McLAUGHLIN. That I went down there to take over—

Mr. KENNEDY. Well, you describe it. What did you do down there?

Mr. McLAUGHLIN. I cannot answer that question. I stand on my constitutional rights and privileges.

Mr. KENNEDY. Did you go down there to take an interest in vice in the city of Portland?

Mr. McLAUGHLIN. I cannot answer that question for the same reason.

Mr. KENNEDY. Do you know Mr. Clyde Crosby, the international organizer of the teamsters?

Mr. McLAUGHLIN. I do.

Mr. KENNEDY. What was your relationship with him?

Mr. McLAUGHLIN. I cannot answer that question. My answer would tend to incriminate me under the——

Mr. KENNEDY. Do you know Mr. William Langley, the district attorney of Multnomah County of the State of Oregon?

Mr. McLAUGHLIN. I do.

Mr. KENNEDY. What has your relationship been with Mr. William Langley?

Mr. McLAUGHLIN. I cannot answer that question. My answer would tend to incriminate me under both Federal and State criminal laws. I therefore claim my constitutional privileges, specially under the 5th and 14th amendments of the Constitution of the United States——

The CHAIRMAN. Never mind reading it again.

I just want to get this clear. Do you mean that you cannot answer a question as to your relationship with Mr. Crosby, an official of the teamsters union, who, I believe, is also an official of the city? You cannot answer a question regarding your relationship with him without exposing yourself to possible incrimination? Is that what you are testifying to under oath?

(The witness conferred with his counsel.)

Mr. McLAUGHLIN. Yes, sir.

The CHAIRMAN. I understand you correctly? Is that true with respect to the district attorney, Mr. Langley, whom you say you know? You cannot answer any questions with regard to your associations or relations with him for the same reason—that if you answered the questions truthfully, they might tend to incriminate you?

Mr. McLAUGHLIN. Yes.

The CHAIRMAN. Well, I hope Mr. Langley will not feel that way.

Proceed.

Mr. KENNEDY. Mr. Chairman, we have another witness who is also under indictment in the State of Oregon, the city of Portland, whom I would like to call at this time.

The CHAIRMAN. All right, Mr. McLaughlin, you will stand aside for the present. You are not released from subpoena. You will await the pleasure of the committee, whether it may desire to recall you.

Mr. KENNEDY. Mr. James Elkins.

Members present at this point: The chairman, Senators, Ives, Kennedy, McNamara, and Mundt.)

The CHAIRMAN. You will be sworn, sir.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ELKINS. I do; yes, sir.

TESTIMONY OF JAMES B. ELKINS

The CHAIRMAN. State your name, your place of residence, and your present business or occupation.

Mr. ELKINS. I am 56 years old. I live in Portland, Oreg.

The CHAIRMAN. Portland, Oreg.?

Mr. ELKINS. That is correct.

The CHAIRMAN. I believe you can testify better if you get rid of your gum.

Mr. ELKINS. Pardon me.

The CHAIRMAN. You did not give us your name.

Mr. ELKINS. James B. Elkins.

The CHAIRMAN. Mr. Elkins, what is your present business or occupation?

Mr. ELKINS. Well, I still own Service Machine Co., but I am not doing much right now.

The CHAIRMAN. Still own what?

Mr. ELKINS. Service Machine Co.

The CHAIRMAN. Service Machine Co.? Is that a business enterprise in Portland?

Mr. ELKINS. That is correct; yes.

The CHAIRMAN. Mr. Elkins, you have had frequent conferences with members of the staff, have you, of this committee, regarding the information that you have?

Mr. ELKINS. Yes, sir; I have.

The CHAIRMAN. You also previously testified, I believe, in possibly an executive hearing, in an executive session, of the Senate Permanent Investigating Subcommittee?

Mr. ELKINS. That is right.

The CHAIRMAN. That was sometime in January of this year?

Mr. ELKINS. That is correct.

The CHAIRMAN. You are, therefore, fully advised with respect to the nature of this investigation and the information that the committee seeks to elicit from you?

Mr. ELKINS. Yes, sir.

The CHAIRMAN. With that knowledge, and knowing, too, that you have the right to counsel, if you desire, when you testify, have you elected to testify without the benefit of counsel?

Mr. ELKINS. I have.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. Elkins, could you first give us a little bit about your background; where you were born?

Mr. ELKINS. I was born in the State of Texas, in 1901.

Mr. KENNEDY. You lived there for how long?

Mr. ELKINS. Until I was 9 years old.

Mr. KENNEDY. You moved then to Arizona?

Mr. ELKINS. That is correct; yes, sir.

Mr. KENNEDY. How long did you live there?

Mr. ELKINS. Until 1918.

Mr. KENNEDY. How much education did you have, Mr. Elkins?

Mr. ELKINS. About the sixth or seventh grade.

Mr. KENNEDY. You ended your formal education at that time?

Mr. ELKINS. That is correct.

Mr. KENNEDY. How long did you live in the State of Arizona, then?

Mr. ELKINS. Well, until I was 18 years old, at that time.

Mr. KENNEDY. You were 18 when you went there?

Mr. ELKINS. No, when I left there.

Mr. KENNEDY. Were you in any difficulty with the law by the time you were 18 years old?

Mr. ELKINS. No, I was not.

Mr. KENNEDY. So you left Arizona and you went where, then?

Mr. ELKINS. Salt Lake City, Utah.

Mr. KENNEDY. And stayed there how long?

Mr. ELKINS. About 2 years.

Mr. KENNEDY. And what sort of business were you in at that time?

Mr. ELKINS. Well, I was driving a truck, I believe, at that time.

Mr. KENNEDY. Were you in any difficulty at that time?

Mr. ELKINS. No, I was not.

Mr. KENNEDY. Then from Salt Lake City, Utah, you went where?

Mr. ELKINS. To Aberdeen, Wash.

Mr. KENNEDY. And stayed there how long?

Mr. ELKINS. Not very long.

Mr. KENNEDY. Did you get into difficulty there?

Mr. ELKINS. Yes; I did.

Mr. KENNEDY. What was your difficulty?

Mr. ELKINS. Making moonshine.

Mr. KENNEDY. And after you left the State of Washington, Aberdeen—Aberdeen, Wash., did you say?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You left and went where?

Mr. ELKINS. Well, I believe I went to Astoria, Oreg., for a short stay.

Mr. KENNEDY. And then where?

First, how old were you, approximately, at this time?

Mr. ELKINS. About between 19 and 20 years old.

Mr. KENNEDY. And then?

Mr. ELKINS. I could be off a year or so.

Mr. KENNEDY. That is approximately. That is all right. You went from there to where?

Mr. ELKINS. Back to Arizona.

Mr. KENNEDY. And stayed there how long?

Mr. ELKINS. To 1936.

Mr. KENNEDY. Were you in any difficulty in Arizona?

Mr. ELKINS. Yes, sir; I was.

Mr. KENNEDY. What was the first major difficulty or problem that you had?

Mr. ELKINS. Well, I got 20 to 30 years in 1931 for assault with intent to kill.

Mr. KENNEDY. Assault with intent to kill?

Mr. ELKINS. I believe that is the way it read.

Mr. KENNEDY. You received a pardon, did you, after 4 years?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You had been in partnership with a policeman at that time, is that right?

Mr. ELKINS. Well, let's say I was cutting a little money.

Mr. KENNEDY. You were cutting a little money with a policeman?

Mr. ELKINS. Yes.

Mr. KENNEDY. And then you had a plan with him to move into a place, and as you came in he started to shoot you, is that right?

Mr. ELKINS. Well, I believe he was going to shoot the boy that was with me, but I shot back.

Mr. KENNEDY. You shot back?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did you hit him?

Mr. ELKINS. Not bad, no.

Mr. KENNEDY. And you were pardoned after 4 years, Mr. Elkins?

Mr. ELKINS. That is correct. Well, not exactly that way. I was paroled and then later pardoned, an unconditional pardon.

Mr. KENNEDY. And you moved eventually up to the State of Oregon?

Mr. ELKINS. Portland, Oreg.

Mr. KENNEDY. And approximately what year did you come to the State of Oregon?

Mr. ELKINS. 1936, I believe.

Mr. KENNEDY. And did you have some difficulty with the law in the State of Oregon?

Mr. ELKINS. I did; yes, sir.

Mr. KENNEDY. What was that in connection with?

Mr. ELKINS. I picked up a package at the American Express Office for a friend and I got 15 months in San Francisco for possession of narcotics.

Mr. KENNEDY. And that was in what year?

Mr. ELKINS. 1938.

Mr. KENNEDY. And you served your year then?

Mr. ELKINS. That is correct.

Mr. KENNEDY. A year and a day.

Then did you have any difficulty after that?

Mr. ELKINS. Not after that. I had more difficulty before that, though.

Mr. KENNEDY. Approximately how many difficulties?

Mr. ELKINS. Well, I don't believe I could say exactly.

Mr. KENNEDY. A few?

Mr. ELKINS. Well, a few, 4 or 5.

Mr. KENNEDY. Then in the State of Oregon, did you have some other difficulty?

Mr. ELKINS. Yes. I went to pick up two slot machines and got shot doing it.

Mr. KENNEDY. Could you relate to the committee the circumstances surrounding that?

Mr. ELKINS. Well, my brother owned the slot machines.

Mr. KENNEDY. Maybe I can tell it and you say whether it is correct. Your brother had made an arrangement with a man to pick up two slot machines?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And you were supposed to pick them up at night, is that right?

Mr. ELKINS. At midnight.

Mr. KENNEDY. And the arrangements had been made with the owner of the place or the person that ran the place?

Mr. ELKINS. The owner, yes.

Mr. KENNEDY. You did not come at night as you were expected to come?

Mr. ELKINS. That is right.

Mr. KENNEDY. You came early in the morning?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You came in, went to the back, and the man said the slot machines were in the front?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You picked up the slot machines and started to put them in the car?

Mr. ELKINS. That is right.

Mr. KENNEDY. Will you relate what happened after that?

Mr. ELKINS. Well, there were several people standing there on the porch watching us and one of them hollered at me something that attracted my attention and I looked around and he was hitting at me with a gun, and I turned around and hit him. He was bootlegging, too, and he had a 15-year-old boy with an old rusty Luger pointing at me. He starting shooting about that time and shot me through the side. I am telling the boy that is driving the car "Let's get away from here," and he said, "He has that thing pointed at me," and I said, "It is darn funny. He is pointing at you and he is hitting me."

The CHAIRMAN. Let us have order.

Mr. ELKINS. So we were arrested and thrown in jail for it.

Mr. KENNEDY. Ultimately you were cleared on that?

Mr. ELKINS. That is right.

Mr. KENNEDY. You were not indicted?

Mr. ELKINS. No; it was a directed verdict.

Mr. KENNEDY. Up to 1956 you had no other difficulties, is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You were married once and were separated from your wife?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And then you married again and your second wife died, is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. And you married your present wife about 4 years ago?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Just some time after your wife died of cancer?

Mr. ELKINS. Two years after my wife died.

Mr. KENNEDY. You have one child, do you?

Mr. ELKINS. One daughter, yes.

Mr. KENNEDY. And they both live in Portland?

Mr. ELKINS. In Portland, Oreg.

Mr. KENNEDY. And you have not had difficulty with the law from that time, the early 1940's, until this time?

Mr. ELKINS. Until 1956.

Mr. KENNEDY. During the period of the war, did you work with the Intelligence Service of the Navy Department?

Mr. ELKINS. I did; yes, sir.

Mr. KENNEDY. And you worked amongst certain cells of Japanese that were assisting Japan at that time?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Mr. Chairman, I talked to the commander in charge of intelligence for the Navy in the State of Oregon, who was in charge there during the war; and he said that Mr. Elkins and his brother performed some considerable services for the Navy during the period of 1942, 1943, and 1944.

The CHAIRMAN. All right.

Mr. KENNEDY. You are presently under indictment; are you not?

Mr. ELKINS. Either 24 or 26.

Mr. KENNEDY. Twenty-four or twenty-six counts?

Mr. ELKINS. Yes. I am not sure which. Either 24 or 26.

Mr. KENNEDY. You are under indictment by the State attorney general; is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. How many counts there, approximately?

Mr. ELKINS. It is either 14 or 16.

Mr. KENNEDY. Fourteen or sixteen counts?

Mr. ELKINS. That is right.

Mr. KENNEDY. That was after you testified on this matter?

Mr. ELKINS. That is right.

Mr. KENNEDY. And you received the greatest number of indictments? You were indicted more than anyone else?

Mr. ELKINS. I think I had them all by about six.

Mr. KENNEDY. Then the district attorney who you testified against indicted you?

Mr. ELKINS. That is correct.

Mr. KENNEDY. How many counts were you indicted for on that?

Mr. ELKINS. It is either 1 or 2. That was the largest bail.

Mr. KENNEDY. \$12,000 bail on that?

Mr. ELKINS. That is right.

Mr. KENNEDY. You have been indicted by the Federal Government; is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. On nine counts?

Mr. ELKINS. That is correct.

Mr. KENNEDY. That has happened in the last 2 or 3 weeks?

Mr. ELKINS. Yes; since I was here.

Mr. KENNEDY. Since you testified before the Investigating Committee?

Mr. ELKINS. Yes.

Mr. KENNEDY. And that was also for wiretapping?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Nine counts?

Mr. ELKINS. Yes.

Mr. KENNEDY. So it makes a total of about 24 or 26 counts?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Mr. Elkins, can you tell the committee how you first met Mr. Tom Maloney?

Mr. ELKINS. Well, it was in regard to getting some of my employees in the union, in the teamsters union.

Mr. KENNEDY. Going back a little bit, what were your businesses during the 1950's, for instance?

Mr. ELKINS. I was one of the men that were operating pinballs.

Mr. KENNEDY. You operated pinballs, and you also had some other machine shop, did you?

Mr. ELKINS. That is right. I had the Service Construction Co. at that time, too.

Mr. KENNEDY. Did you also finance after-hours places?

Mr. ELKINS. That is correct. And gambling.

Mr. KENNEDY. And gambling places?

Mr. ELKINS. That is right.

Mr. KENNEDY. You financed them?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You have been doing that for a number of years?

Mr. ELKINS. That is correct.

Mr. KENNEDY. The pinball operation in Portland; is that a legitimate operation?

Mr. ELKINS. No. It is gambling, but it is dressed up a little bit.

Mr. KENNEDY. Gambling dressed up. Did you have some pinball machines?

Mr. ELKINS. Yes; I did.

Mr. KENNEDY. During the period of about 1954, did you want to get your machines into the labor temple?

Mr. ELKINS. Yes. Either late 1953—I believe that was it.

Mr. KENNEDY. Late 1953 or early 1954?

Mr. ELKINS. That is right.

Mr. KENNEDY. You wanted to get your machines in the labor temple?

Mr. ELKINS. That is right.

Mr. KENNEDY. In order to do that, your men would have to be members of the labor union; is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did you try certain labor unions and see if you could get them in?

Mr. ELKINS. I believe my brother and my employees tried the electrical union.

Mr. KENNEDY. The electrical union would not let them in?

Mr. ELKINS. No; they would not let me operate.

Mr. KENNEDY. Did you find that many of the unions or nearly all unions are against organized gambling?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did you learn that possibly the teamsters would allow you in?

Mr. ELKINS. I did; yes.

Mr. KENNEDY. In a trip that you made up to Seattle, did you hear about Mr. Tom Maloney?

Mr. ELKINS. Yes; I did.

Mr. KENNEDY. What did you learn about Tom Maloney?

Mr. ELKINS. That he was very close friend of Frank Brewster, and that he could possibly get mine in. They had not put in any application to get in, but I was told that Tom Maloney could assist me in getting them in.

Mr. KENNEDY. And you thought that there would be difficulty unless you got the help of Tom Maloney?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you contact Tom Maloney then?

Mr. ELKINS. Yes, sir; I did.

Mr. KENNEDY. Did you talk to him out at the racetrack?

Mr. ELKINS. That is correct.

Mr. KENNEDY. What did he say to you at that time?

Mr. ELKINS. He thought it would be a good idea for him to make a trip to Portland; and I told him to come ahead, that I would pay the expenses.

Mr. KENNEDY. Did he tell you at that time about any of the contacts he had with the teamsters?

Mr. ELKINS. Yes. He was very close to John Sweeney and Frank Brewster.

The CHAIRMAN. Close to whom?

Mr. ELKINS. Frank Brewster and John Sweeney.

Mr. KENNEDY. And John Sweeney at that time was international organizer of the teamsters in Portland, Oreg.?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did he then make a trip down to Portland?

Mr. ELKINS. He did.

Mr. KENNEDY. And did he take you over and introduce you to John Sweeney?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Were your men then taken in the union?

Mr. ELKINS. That is right.

Mr. KENNEDY. Was there any discussion at that time about wages, hours, or conditions with the labor union, or with any labor union official?

Mr. ELKINS. No.

Mr. KENNEDY. They just were taken into the union: is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. On that trip, you paid Mr. Maloney's expenses?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did Maloney introduce you to any other teamster official?

Mr. ELKINS. Yes. Frank Malloy.

Mr. KENNEDY. Frank Malloy? What was his position at the time?

Mr. ELKINS. He was just with the teamsters is all I know.

Mr. KENNEDY. Did Tom Maloney say anything to you about the type of businesses that you were in in Portland?

Mr. ELKINS. Well, yes. He said he understood I knew my way around. He said he was having it a little rough and that he could be a great deal of assistance to me and the teamsters if I could help him—I believe he said—get a piece of one place.

Mr. KENNEDY. He knew the kind of businesses you were in, bootlegging and so forth?

Mr. ELKINS. Bootlegging and gambling, that is right.

Mr. KENNEDY. Did he tell you that he had been in those kind of businesses himself?

Mr. ELKINS. That is right.

Mr. KENNEDY. And that he would like to get a piece of a place down there?

Mr. ELKINS. That is right.

Mr. KENNEDY. That is, in Portland. Did he mention to you about his contact with the teamsters?

Mr. ELKINS. Yes. He introduced me to John Sweeney and told me to cultivate that introduction, that John Sweeney could do me a lot of good.

Mr. KENNEDY. That John Sweeney could do you a lot of good?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did he say that he was working at that time in Seattle at the racetrack?

Mr. ELKINS. That is right. And Spokane.

Mr. KENNEDY. In connection with John Sweeney, I might say that he was at that time international organizer of the teamsters. He was

then promoted in mid-1954, I believe, to be secretary-treasurer of the teamsters up in Seattle.

Mr. ELKINS. That is right.

Mr. KENNEDY. And he has since died. I think it is about 6 months ago.

Mr. ELKINS. That is correct.

Senator MUNDT. Mr. Chairman, I got a little way behind. I would like to ask a couple of questions to bring me up to date.

No. 1, why was it that you wanted to get your men into the union? You did not make that clear.

Mr. ELKINS. I had pinball machines in the labor temple and my men couldn't service those machines without belonging to some union.

Senator MUNDT. Union officials had told you that they could not service the machines in the temple unless they belonged to the union; is that right?

Mr. ELKINS. Well, that is just about it, yes.

Senator MUNDT. So in order to keep your machines there, that is why you wanted to get in?

Mr. ELKINS. That is right.

Senator MUNDT. The second question: You said that when your men did get in eventually, they made no arrangements concerning hours or labor conditions. Did they arrange to pay weekly or monthly dues?

Mr. ELKINS. Yes, they paid their dues.

Senator MUNDT. They had to pay their dues?

Mr. ELKINS. In cash.

Senator MUNDT. Plus an initiation fee?

Mr. ELKINS. Yes.

Senator MUNDT. And did you have to pay Mr. Maloney anything beyond and above his expenses to make this deal for you?

Mr. ELKINS. No. I didn't consider that I did.

Senator MUNDT. What motive did you think Mr. Maloney had at the time, to go to another city and to make these arrangements, if all he got out of it was just his out-of-pocket expenses?

Mr. ELKINS. Well, he wanted to be friendly. He seemed to be friendly. It wasn't unusual for people to do a favor like that. A little later on, the next trip, he didn't ask me for anything that trip, the next trip down he asked me for \$450.

Mr. KENNEDY. Going back to the first trip, did he say to you anything about his friendship with Frank Brewster?

Mr. ELKINS. Yes.

Mr. KENNEDY. How did he describe it?

Mr. ELKINS. That he was very close, and that it wasn't just the teamsters, it was the garbagemen and various others that they controlled, and that they had awful strong political connections.

Mr. KENNEDY. Did he tell you that he could use the taxicab drivers and the garbage collectors?

Mr. ELKINS. That is right.

Mr. KENNEDY. That they would be put at your disposal if you felt you needed them?

Mr. ELKINS. That is right.

Mr. KENNEDY. And he told you that he was very close to Frank Brewster?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he say anything about what he could do as far as John Sweeney was concerned?

Mr. ELKINS. Yes, that he was close to John Sweeney, but that Frank Brewster would order John Sweeney to do anything he wanted him to do.

Mr. KENNEDY. That Tom Maloney wanted to be done?

Mr. ELKINS. That is right.

Mr. KENNEDY. And he told you that you should cultivate John Sweeney? Is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. He then returned to Seattle? It was a quick trip?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he then come down again and call you and say he wanted to come down again?

Mr. ELKINS. That is right.

Mr. KENNEDY. At that time, did you have a luncheon with John Sweeney?

Mr. ELKINS. Yes. I had had maybe more than one by that time, by the time he come down.

Mr. KENNEDY. He came down two or three times during this period?

Mr. ELKINS. That is right.

Mr. KENNEDY. And on either the second or third trip did he ask for \$500?

Mr. ELKINS. I believe it was the second trip.

Mr. KENNEDY. He wanted to borrow \$500 from you?

Mr. ELKINS. That is what he said, but I took it that it was more or less of a gift. I gave him two then and told him I would send the other over to the teamster hall, because I wanted to see if John Sweeney was aware of it.

Mr. KENNEDY. You wanted to see if John Sweeney knew he was getting money?

Mr. ELKINS. That is right.

Mr. KENNEDY. So you gave him the \$200 and sent the \$300 over?

Mr. ELKINS. To a different person, yes.

Mr. KENNEDY. Can you tell the committee who you sent the money to?

Mr. ELKINS. Tom Maloney, and then I called John Sweeney and told him I had made a mistake and loaned Tom \$500 but I had given him two and sent three to another unionman, and asked him to see if he couldn't straighten it out.

Mr. KENNEDY. You wanted to establish, thereby, that John Sweeney, the head of the teamsters there, knew that you were sending money or giving money to Tom Maloney; is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. While you were down there, did Mr. Maloney ask for you to do a favor for him in the city of Seattle?

Mr. ELKINS. Well, not that trip, no.

Mr. KENNEDY. On one of the trips, one of these two or three trips?

Mr. ELKINS. Yes, he did.

Mr. KENNEDY. What was the favor he wanted done?

Mr. ELKINS. Well, he wanted to open up one location in Seattle.

Mr. KENNEDY. When you talk about location——

Mr. ELKINS. Well, he wanted to open up one gambling and boot-leg place in Seattle, in partners with someone. I don't believe he said who. Maybe it was a colored person. He asked me to speak to an official that I knew of there.

Mr. KENNEDY. He asked you to speak to the chief of police?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you speak to the chief of police?

Mr. ELKINS. I did. But I don't want to give any idea that I ever give him any money, because I haven't.

Mr. KENNEDY. But you spoke to the chief of police?

Mr. ELKINS. That is right.

Mr. KENNEDY. The chief of police, what did he say about Tom Maloney?

Mr. ELKINS. He said he was pretty much on messing up people who done him favors, but he would see what he could do.

Mr. KENNEDY. He allowed them to open one place?

Mr. ELKINS. He either allowed it or arranged for him to open one, yes.

Mr. KENNEDY. Did you later learn that Tom Maloney turned around and opened two places?

Mr. ELKINS. I believe that either he or someone else told me that he opened one, and wanted to run the town or something, and he closed that place.

Mr. KENNEDY. The chief of police to whom you spoke then closed both of the places down?

Mr. ELKINS. That is right.

Mr. KENNEDY. With the understanding or feeling that Tom Maloney had overstepped his bounds going into the second place?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did Maloney get in touch with you during this period of time about coming up to Seattle and meeting his friends?

Mr. ELKINS. Yes. On one occasion he came down and said to me that he knew I had put \$50,000 into a campaign, a campaign in Seattle.

Mr. KENNEDY. You were alleged to have put \$50,000 into the campaign of Mr. Pomeroy, who ran for mayor of Seattle?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And for that reason, Tom Maloney thought you were a very important figure in the State of Washington?

Mr. ELKINS. That is right.

Mr. KENNEDY. So you had this conversation regarding the chief of police, and then he asked you to come up to meet his friend, Mr. Joe McKinley?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you go up to meet Mr. Joe McKinley?

Mr. ELKINS. Yes, I went to see Joe.

Mr. KENNEDY. Where did you meet Joe McKinley?

Mr. ELKINS. At the Olympic Hotel.

Mr. KENNEDY. The Olympic Hotel?

Mr. ELKINS. That is right.

The CHAIRMAN. Are you speaking of the man who testified here a moment ago?

Mr. ELKINS. That is correct.

Mr. KENNEDY. How did you get along?

Mr. ELKINS. We didn't get along too good. We sparred and double-talked each other.

Mr. KENNEDY. How had Maloney described McKinley?

Mr. ELKINS. I beg your pardon?

Mr. KENNEDY. How had Maloney described McKinley or did you know of Joe McKinley already?

Mr. ELKINS. I had heard of Joe McKinley. Everybody heard of Joe McKinley in my business.

Mr. KENNEDY. Was he in the same business as you were in, except he was in Seattle?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did you ever hear that everything in Seattle was under him?

Mr. ELKINS. Well, formerly had been, yes.

Mr. KENNEDY. Was that during the 1940's?

Mr. ELKINS. Yes.

Mr. KENNEDY. He had run this part of Seattle?

Mr. ELKINS. That is about right.

Mr. KENNEDY. Bootlegging and gambling, that had been under Joe McKinley?

Mr. ELKINS. That is what I understood.

Mr. KENNEDY. When the two of you got up to the hotel, the hotel room in the Olympic Hotel, were there free discussions about what you were going to do? What was the purpose of the conversation?

Mr. ELKINS. About opening up some type of gambling or horse book or something in Seattle. I told him I knew what would happen to him if he came to Portland, and I presume the same thing would happen to me if I went to Seattle, and that I imagine there wasn't much point in talking, and he said that was his sentiments on it, too.

Mr. KENNEDY. So the conversation was not very satisfactory?

Mr. ELKINS. No. It didn't last over 30 minutes.

Mr. KENNEDY. You went back to Portland?

Mr. ELKINS. That is right.

Mr. KENNEDY. During this period of time, after you went back to Portland, and now we are in the beginning of 1954, I guess, as far as dates are concerned—is that about right?

Mr. ELKINS. That is about right. I want to clear one point. On this Pomeroy campaign, I was in Baltimore at the time, at the time of Pomeroy's campaign.

Mr. KENNEDY. So this story of you contributing \$50,000 was not true?

Mr. ELKINS. No, it was not true.

Mr. KENNEDY. You were here with your wife?

Mr. ELKINS. That is right.

Mr. KENNEDY. You came back to Portland. Were you meeting with Mr. John Sweeney of the teamsters when you got back here?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you feel that there was anything peculiar about the head of the teamsters wanting to meet with you?

Mr. ELKINS. Yes. I asked John Sweeney why he was romancing a man in my business, and he said "Well, no particular reason," only he liked to be friends with people in my type of business, that the teamsters was a powerful organization, politically, and he understood I had put up quite a bit of money politically now and then and there wasn't

any use to wasting it, that we could reach some kind of an agreement on it.

Mr. KENNEDY. What kind of an agreement?

Mr. ELKINS. Both back the same horse, or the same man.

Mr. KENNEDY. Did he say anything about Tom Maloney during this period?

Mr. ELKINS. Yes. He said he would like to see Tom get a piece of the joint, but he didn't want him to operate it himself.

Mr. KENNEDY. He wanted you to give Tom Maloney a piece of one of your joints?

Mr. ELKINS. Well, yes, that is correct.

Mr. KENNEDY. Why did he not want Tom Maloney to operate his own place?

Mr. ELKINS. He didn't give me a reason on that. It didn't sound right to me, but he said he thought Tom was too close to the teamsters.

Mr. KENNEDY. He felt he was too close to the teamsters?

Mr. ELKINS. That is right.

Mr. KENNEDY. During this period of time, was there a primary going on, as far as the district attorney was concerned, between McCourt and Langley?

Mr. ELKINS. Yes, the primary was going on at that time.

Mr. KENNEDY. The incumbent was McCourt and Langley was trying to get the nomination for the Democratic Party?

Mr. ELKINS. That is right. He did get the nomination.

Mr. KENNEDY. McCourt had his nomination and then Langley had his nomination, is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. McCourt was a Republican and Langley was a Democrat?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did Sweeney say anything to you about the type of places you were running?

Mr. ELKINS. Yes.

Do you mean did he know what type of places I was running?

Mr. KENNEDY. Yes. Did he express any feeling about those kind of places? What did he say about them?

Mr. ELKINS. He said he was all for it, that he didn't want anything out of it, or he didn't want anyone but Tom to benefit by it, and for me not to worry about them cutting in on my earnings.

Mr. KENNEDY. He said he was not personally interested himself?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did he say that he thought it would be a good idea to have a few of those places open?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You were also introduced to Mr. Clyde Crosby, is that right?

Mr. ELKINS. That was right after the primaries in 1954.

Mr. KENNEDY. Right after the primaries?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You were introduced to him out at the airport?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did Sweeney say anything to you at that time about meeting Langley and getting together with him. Langley who had just won the nomination?

Mr. ELKINS. He asked me to set up an appointment with Bill Langley, I believe, for the next day at 10 o'clock in John Sweeney's office.

Mr. KENNEDY. Had you known Bill Langley?

Mr. ELKINS. Yes, I had known Bill Langley for several years.

Mr. KENNEDY. Were you ever in business together with Bill Langley?

Mr. ELKINS. Yes, we were in partners in the China Lantern.

Mr. KENNEDY. The China Lantern?

Mr. ELKINS. That is correct.

Mr. KENNEDY. What kind of a place was the China Lantern?

Mr. ELKINS. It was a restaurant, a bar and a gambling place.

Mr. KENNEDY. A gambling place?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Were all its operations completely legal?

Mr. ELKINS. In the China Lantern?

Mr. KENNEDY. Yes.

Mr. ELKINS. No.

The CHAIRMAN. Was that before he became prosecuting attorney or district attorney?

Mr. ELKINS. That is right.

The CHAIRMAN. So you had known him in a business way in the same business you were in prior to the time he was elected?

Mr. ELKINS. That is correct.

Senator McNAMARA. I was interested in the statement that the witness made regarding entering into an agreement to put his employees into the teamsters union.

How many employees did you have, approximately?

Mr. ELKINS. I think there were five of them.

Senator McNAMARA. Five?

Mr. ELKINS. I believe that is correct.

Senator McNAMARA. The whole operation only required five people?

Mr. ELKINS. That is right. There might have been 6, but I think it is 5.

Senator McNAMARA. And you said there was no arrangement made about wages or hours, but you did agree to put all of your employees into the union, is that right?

Mr. ELKINS. No. I just gathered up a bunch of employees and sent them over there.

Senator McNAMARA. It was not all of them but part of them?

Mr. ELKINS. Well, practically all of them. There was nothing said about all of them or part of them. The primary reason was the ones that were going to service the machines in the labor temple.

Senator McNAMARA. You entered into some sort of agreement. Was this a written agreement? You did not sign any contract that provided that you would employ all union help or anything?

Mr. ELKINS. No.

Senator McNAMARA. That is the point I wanted to make, Mr. Chairman.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. He talked to you about Bill Langley—John Sweeney did?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And he introduced you to Clyde Crosby who was also out at the airport at the same time?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you say you would get in touch with Langley?

Mr. ELKINS. I did.

Mr. KENNEDY. Did you call Langley?

Mr. ELKINS. I did.

Mr. KENNEDY. Did you make an appointment for him?

Mr. ELKINS. The next morning at 10 o'clock.

Mr. KENNEDY. To see whom?

Mr. ELKINS. John Sweeney.

Mr. KENNEDY. Did he keep that appointment?

Mr. ELKINS. He did.

Mr. KENNEDY. Were you there?

Mr. ELKINS. No.

Mr. KENNEDY. Did you receive a report on that?

Mr. ELKINS. Yes. John Sweeney called. I went to lunch with Sweeney, and my brother went with him, and he said he talked with Bill Langley and told him to come back in a week or 10 days, and he would have the green light from Brewster on it by that time.

The CHAIRMAN. Who said he would have the green light from Brewster?

Mr. ELKINS. John Sweeney.

The CHAIRMAN. He had talked to Langley?

Mr. ELKINS. He had talked to Langley, and he told Langley for him to contact John Sweeney in a week or 10 days and he would have the green light on getting him a little finance and the support of the teamsters in a week or 10 days.

The CHAIRMAN. That was after he got the nomination but before he had been elected?

Mr. ELKINS. That is correct.

The CHAIRMAN. He still had his election campaign coming off?

Mr. ELKINS. That is correct. It is 6 months between the primaries and the general election.

The CHAIRMAN. So a contact was made with Langley by the teamsters prior to the time he was elected and during the time of the campaign against his Republican opponent?

Mr. ELKINS. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. Did Langley indicate at that time or did Sweeney indicate to you what Langley was going to do for you?

Mr. ELKINS. He just told me that he wanted Langley to know who was responsible for him, in back of him, and when he got the green light from Brewster he would call me and have me set up another appointment.

(At this point, Senator McNamara withdrew from the hearing room.)

Mr. KENNEDY. What was it that you wanted from the district attorney during this period of time? What was it you would want, a person in your business?

Mr. ELKINS. Well, not a devil of a lot. You would want to know when there was a warrant out to raid a place, or that they wouldn't abate them.

Mr. KENNEDY. Would you explain what abating a place means?

Mr. ELKINS. If a place was arrested twice, the fine didn't amount to anything, but some of those places you have to take a year's lease on.

If they abated it, they padlocked it for a year after the second arrest. The former D. A. had been doing that.

The CHAIRMAN. Do I understand from that that you were interested in not getting padlocked?

Mr. ELKINS. That is correct.

The CHAIRMAN. That is your primary interest in Mr. Langley, to make arrangements about that?

Mr. ELKINS. That is right.

The CHAIRMAN. Did you succeed in making such arrangements?

Mr. ELKINS. I did; yes.

The CHAIRMAN. All right.

Mr. KENNEDY. You succeeded at that time, or was that agreement or understanding made at a later time?

Mr. ELKINS. Much later. Months later.

Mr. KENNEDY. Did the teamsters then become active supporters of Mr. Langley at that time?

Mr. ELKINS. No, they did not.

Mr. KENNEDY. Mr. Langley did not follow up on his appointments, or what happened?

Mr. ELKINS. John Sweeney called me and told me to get Langley over there, and I was mad at Langley, so——

Mr. KENNEDY. Why were you mad at Langley?

Mr. ELKINS. Well, I thought he had put a bug on his phone when my brother was talking to him.

Mr. KENNEDY. Your brother was talking at that time about Al Winters, is that right?

Mr. ELKINS. I believe that is correct.

Mr. KENNEDY. And Mr. Al Winters has an interest similar to yours in the city of Portland?

Mr. ELKINS. Formerly had, I would say.

Mr. KENNEDY. He is now in Las Vegas?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And you thought that Langley had put a tape recorder on the phone when your brother was denouncing Al Winters?

Mr. ELKINS. Well, that was what my brother had told me, and I felt that he must know what he is talking about.

Mr. KENNEDY. So you were not too anxious to support Langley at that time?

Mr. ELKINS. No. I had been in partners with him before.

Mr. KENNEDY. You what?

Mr. ELKINS. I had been in partners with him once before. He was running for D. A. and quit to run a football book right in the middle of his campaign, and I thought he might do it again.

Mr. KENNEDY. Did you ultimately decide during this period of time that because your brother thought that Langley would be better than McCourt, because Langley's position on abatements was better than McCourt, that you two had better back Langley?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did someone come to you with a bill for \$1,280 for Langley, for a printing bill?

Mr. ELKINS. Yes. I wouldn't say they come to me. They called us to them and told us that Bill Langley and Mr. Hanzen in the Congress Hotel——

Mr. KENNEDY. Who is that?

Mr. ELKINS. Mr. Henry Hanzen.

Mr. KENNEDY. Mr. Henry Hanzen, an attorney. Mr. Henry Hanzen was the campaign manager of Langley?

Mr. ELKINS. No. He was the man behind the scenes. He was the man that Mr.—Mr. Hanzen defended the abortionists.

Mr. KENNEDY. He was the attorney for the abortionists?

Mr. ELKINS. That is right. And Mr. Hanzen was the man behind the scenes, but not out publicly.

Mr. KENNEDY. Was he the one that was chiefly in back of Mr. Langley's campaign.

Mr. ELKINS. Well, he was one of them. There were others.

Mr. KENNEDY. Had the majority of the money for Mr. Langley's campaign during the primary come through Mr. Hanzen and his clients, the abortionists?

Mr. ELKINS. In the primaries; yes.

Mr. KENNEDY. And then he received \$500 in addition to that from another individual?

Mr. ELKINS. To open two houses of prostitution.

Mr. KENNEDY. To allow two houses of prostitution to continue to exist?

Mr. ELKINS. That is right.

Mr. KENNEDY. This man had already run houses of prostitution?

Mr. ELKINS. Well, he owned the property, and he had been in trouble before about it. He owned several roominghouses that was operated in that type, and they had been closed by Mr. McCourt and some of them abated. That is why this gentleman was mad at John McCourt.

Mr. KENNEDY. That was Joe Snitzer?

Mr. ELKINS. Joe Snitzer.

Mr. KENNEDY. How do you spell his name?

Mr. ELKINS. S-n-i-t-z-e-r, I believe.

Mr. KENNEDY. That was where the backing had come from up to this time?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you meet with Mr. Hanzen and Mr. Langley?

Mr. ELKINS. In the Congress Hotel.

Mr. KENNEDY. What was decided at that meeting?

Mr. ELKINS. Well, Bill said that he was a dead duck if he didn't get \$1,280 to pay for some literature.

Mr. KENNEDY. So did you tell them that you would be willing to go to see Clyde Crosby?

Mr. ELKINS. Well, not at that meeting. We had several meetings within a few days there, and then we went to Salem, in the meantime. I don't know whether I brought the question up or my brother, that the teamsters had been wanting me to get Bill over there for several months, so I agreed to go over and talk to Clyde Crosby about it.

Mr. KENNEDY. In the meantime, at these meetings that you had with Hanzen and Langley, they wanted to make arrangements with you to distribute some of their literature?

Mr. ELKINS. And put up some signs, and I would give him the money to pay for the signs.

Mr. KENNEDY. What kind of literature was this?

Mr. ELKINS. It was little pamphlets, running down McCourt's character and building Langley's character up.

Mr. KENNEDY. Did you go see Clyde Crosby after the several meetings that you had?

Mr. ELKINS. Yes, I did.

Mr. KENNEDY. And what did he say to you at that time?

Mr. ELKINS. Well, he said the Central Labor Council had already endorsed McCourt, and he didn't see how they could change it, that the teamsters had been in bad repute there up until John Sweeney came to Portland, and they were just now getting back ahold of the reins and they didn't want to jeopardize things.

I said I could see that. I said, "How about your going to lunch with him and telling him the story."

Mr. KENNEDY. The Central Labor Council, which is the makeup of the various A. F. of L. and CIO unions, had already backed McCourt?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And the teamsters had already gone along with that?

Mr. ELKINS. That is correct.

Mr. KENNEDY. When you came in to see Clyde Crosby, you suggested that the teamsters pull out of that and back Langley?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he say that the teamsters had had difficulty in Oregon in the past with the other A. F. of L.-CIO unions and that they were just getting back in their good graces and for them now to pull out of this situation and back a different candidate would cause even more trouble, is that right?

Mr. ELKINS. They felt it would weaken their position somewhat.

He called, I think it was, Jim Higgins—

Mr. KENNEDY. You said "Why don't you just go to lunch with Langley?"

Mr. ELKINS. Yes.

Mr. KENNEDY. He called someone?

Mr. ELKINS. Yes.

Mr. KENNEDY. What was their advice?

Mr. ELKINS. He explained it to me, and then he told me, this man is kind of a political adviser, and this man explained the same thing that Crosby had, and said "I don't feel that we should even, either one of us, have lunch with Langley."

Mr. KENNEDY. Because the only thing that could be told him was that the teamsters would not back Langley?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You went back with this news that the teamsters would not go along with Langley and discussed the matter with your brother?

Mr. ELKINS. My brother, Henry Hanzen, and Bill Langley.

Mr. KENNEDY. What did your brother suggest at that time?

Mr. ELKINS. My brother said to call Tom.

Mr. KENNEDY. Tom Maloney?

Mr. ELKINS. Tom Maloney.

Mr. KENNEDY. Did you call Tom Maloney?

Mr. ELKINS. I did.

Mr. KENNEDY. Did he tell you at that time that he was making \$50 a day at the racetrack?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you tell him you would make up his expenses if he would come to Portland?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he come to Portland?

Mr. ELKINS. He did.

Mr. KENNEDY. Did he see Clyde Crosby?

Mr. ELKINS. He did.

Mr. KENNEDY. Did he ask Crosby to back William Langley?

Mr. ELKINS. He did.

Mr. KENNEDY. Did Clyde Crosby say "no," they would not?

Mr. ELKINS. He did.

(At this point, Senator Ervin entered the hearing room.)

Mr. KENNEDY. Did you then call up Sweeney?

Mr. ELKINS. That is right.

Mr. KENNEDY. What report did you get then?

Mr. ELKINS. John Sweeney called Crosby and told him to back Langley, but not to make it public.

Mr. KENNEDY. To keep it quiet at the beginning?

Mr. ELKINS. To keep it quiet, not run his picture in the teamsters paper, nor McCourt's, but to go along with it and put out some signs.

Mr. KENNEDY. Not to have the teamsters newspaper come out at that time?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did Tom Maloney come down to see you?

Mr. ELKINS. He did, and brought a couple of teamsters boys with him.

Mr. KENNEDY. Including Frank Malloy?

Mr. ELKINS. Correct.

Mr. KENNEDY. He told them at that time that they should work closely with you in the campaign?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did you give Tom Maloney any money for this service?

Mr. ELKINS. Yes, I did.

Mr. KENNEDY. What did you give him then?

Mr. ELKINS. I gave him \$100.

Mr. KENNEDY. Was that supposed to be for his expenses?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he receive any other money?

Mr. ELKINS. Yes. When he got my brother off to one side, he gave him a hundred.

Mr. KENNEDY. For the same thing?

Mr. ELKINS. The same thing, yes.

Mr. KENNEDY. Did you pay his hotel expenses, too?

Mr. ELKINS. Yes.

Mr. KENNEDY. The teamsters were very inactive after that, still, for Langley, is that right?

Mr. ELKINS. For about a week or 10 days.

Mr. KENNEDY. And just——

Mr. ELKINS. They came over and got one batch of signs from my shop.

Mr. KENNEDY. And the betting in Portland was in favor of McCourt?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did you get in touch with Tom Maloney and say "something needs to be done on this"?

Mr. ELKINS. Yes, I did.

Mr. KENNEDY. And again he brought up about the fact that he was getting \$50 a day?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you ask him to come down?

Mr. ELKINS. I told him to come on down.

Mr. KENNEDY. During this period of time that he was up in Seattle, did he write you a couple of letters and tell you how the situation looked?

Mr. ELKINS. Yes, he did. Several letters.

The CHAIRMAN. The Chair will ask you if you have heretofore seen photostatic copies of the letters.

Mr. ELKINS. Yes, sir.

The CHAIRMAN. Can you identify photostatic copies of them?

Mr. ELKINS. I will, yes, sir.

The CHAIRMAN. The clerk will present to the witness photostatic copies for his identification.

(Documents handed to witness.)

The CHAIRMAN. Has the witness examined the photostatic copies presented by the clerk?

Mr. ELKINS. Yes, sir.

The CHAIRMAN. What are they?

Mr. ELKINS. They are letters to me from Tom Maloney.

The CHAIRMAN. Letters to you from Tom Maloney?

Mr. ELKINS. That is correct.

The CHAIRMAN. The letters may be printed in the record, and will be made exhibit 17.

(The letters referred to were marked "Exhibit No. 17" for reference and will be found in the appendix on pp. 367-370.)

The CHAIRMAN. Does counsel wish to interrogate him about any particular point in the letters? I will not take time to read them.

Mr. KENNEDY. They speak for themselves, showing the interest Tom Maloney had in Langley's campaign, and giving suggestions to Jim Elkins as to what should be done down there.

The CHAIRMAN. Is that a substantially correct statement about what the letter does?

Mr. ELKINS. That is correct.

The CHAIRMAN. Any member of the committee can read it at their pleasure, but it will be in the record.

Mr. KENNEDY. I want to make a correction in the record about Tom Maloney on something I said earlier. When you could not get Crosby to back Langley, then you got in touch with Tom Maloney, and then Tom Maloney—who did he call at that time? I said he just called John Sweeney.

Mr. ELKINS. He called Frank Brewster also.

Mr. KENNEDY. He called Frank Brewster?

Mr. ELKINS. That is right.

Mr. KENNEDY. The conversation with Frank Brewster was then, and what was done? Sweeney's conversation with Crosby was confirmed to you from Sweeney?

Mr. ELKINS. That is correct.

In the meantime, John Sweeney called me while Tom was gone and asked me how things were coming, and I told him we wasn't getting much cooperation. Then I called Tom and he came back to Portland.

Mr. KENNEDY. This time you made an agreement to pay \$50 a day?

Mr. ELKINS. That is correct.

Mr. KENNEDY. How much did he say he would need from you for the start of the campaign?

Mr. ELKINS. \$500.

Mr. KENNEDY. Did he ask for \$700 more after that?

Mr. ELKINS. Yes; 2 days later.

Mr. KENNEDY. How long afterward?

Mr. ELKINS. Two days later.

Mr. KENNEDY. And you fixed up a sound truck?

Mr. ELKINS. I paid for it; yes.

Mr. KENNEDY. The sound truck went out to the livestock show that was going on?

Mr. ELKINS. Yes; to the Pacific International.

Mr. KENNEDY. Excuse me? The International Livestock Show?

Mr. ELKINS. Yes.

Mr. KENNEDY. At that time, the sheriff there was Mr. Schrunk?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he order the sound truck out of the livestock show?

Mr. ELKINS. Yes.

Mr. KENNEDY. What did Maloney do then?

Mr. ELKINS. He called Sweeney and had Sweeney call Schrunk, and the next day they put Schrunk's name on the recorder on the truck.

Mr. KENNEDY. They put that on the recording that they were playing at the livestock show; they put Schrunk's name on it?

Mr. ELKINS. That is correct.

Mr. KENNEDY. This is after a conversation of Maloney with Sweeney?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And the car went back out to the livestock show after that and was not molested?

Mr. ELKINS. That is right.

Mr. KENNEDY. Mr. Schrunk is now mayor of the city of Portland?

Mr. ELKINS. That is right. He was sheriff and running for a new term at that time.

Mr. KENNEDY. How much money altogether did you give into Langley's campaign?

Mr. ELKINS. Well, I believe I gave Tom Maloney about \$3,600.

Mr. KENNEDY. About \$3,600?

Mr. ELKINS. That doesn't include the \$1,280 and a few other dollars.

Mr. KENNEDY. Did you give money directly to Langley?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You and your brother?

Mr. ELKINS. That is correct.

Mr. KENNEDY. \$1,800 more, approximately?

Mr. ELKINS. No, I would say, including the \$1,280, we give him \$200, \$100, \$300, and then we paid for signs. I would say with the \$1,280 it was about \$1,800.

Mr. KENNEDY. The original \$1,280 when you paid the printing bill?

Mr. ELKINS. That is right.

Mr. KENNEDY. So you gave \$3,500 to Maloney?

Mr. ELKINS. Thirty-six.

Mr. KENNEDY. About \$3,600 to Maloney, about \$1,800 to Langley directly, including the printing bill?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did Tom Maloney approach you about his own bill?

Mr. ELKINS. Yes. He called me and I gave him either eleven or thirteen hundred dollars in the Roosevelt Hotel, plus \$200 for Frank Malloy and \$200 for Frank Malloy's wife and \$500 for a watch for Mark Holmes.

Mr. KENNEDY. Mark Holmes at that time was what?

Mr. ELKINS. He was in the teamsters.

Mr. KENNEDY. Did Maloney say that he was having trouble with Malloy?

Mr. ELKINS. Yes. Malloy was drinking quite a bit and calling me a son of a sea cook.

Mr. KENNEDY. Did he say that he disliked anything about Malloy or what he was doing?

Mr. ELKINS. He said he was wanting to get a couple of places open on his own, and he felt he was entitled to them for the work he had done.

Mr. KENNEDY. Was he apprehensive that he was getting close to Langley?

Mr. ELKINS. That is right. That he had been a constant companion to Langley during this campaign, and Malloy felt that he should still be in there as an adviser or something.

Mr. KENNEDY. And be allowed to open some places of his own?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You said there was \$500 needed for a watch for Holmes?

Mr. ELKINS. That is right.

Mr. KENNEDY. What was the reason for that?

Mr. ELKINS. Tom had a watch on that he says was worth about \$500. During the campaign, Mark Holmes was doing a terrific amount of work, and he did have a lot of friends; he still has. So Tom said that Mark wanted a watch like he had, and that he had obligated himself to the point of promising him one if Bill Langley won. Bill Langley had won, so I felt that he should keep his word with Mark Holmes.

Mr. KENNEDY. Right after that, did you have a meeting with Langley and have an understanding with him?

Mr. ELKINS. No; that day Tom told me he was going to have Langley shut his phones off and he and his family would take a vacation to California. I asked him where he would get the money, and he said the Teamsters would pay it.

Mr. KENNEDY. The Teamsters were going to pay for Langley's vacation?

Mr. ELKINS. That is what they told me.

Mr. KENNEDY. What did he say he wanted Langley to go to California for?

Mr. ELKINS. He wanted him to meet Frank Brewster and consult with John Sweeney and have them introduce him to a lot of influential people.

Mr. KENNEDY. Did you, during this period, have a conversation with Langley as to what services he was going to perform for you, for the amount of money you contributed to his campaign?

Mr. ELKINS. No; I didn't get close to him, until I got a phone call when he came back. He left immediately then and went to California. And then when he came back, Tom——

Mr. KENNEDY. That is where he said he was going?

Mr. ELKINS. Well, that is where he told me he was going. I don't know where he went.

(At this point, Senator Ervin withdrew from the hearing room.)

Mr. ELKINS. I am pretty sure he went there, because Tom called me from down there himself.

Mr. KENNEDY. You were talking about Langley?

Mr. ELKINS. No; I am talking about Maloney. He called me and said he wanted me to meet Bill Langley and him in Seattle, Wash.

Mr. KENNEDY. Before we get into that, was there ever any discussion that you had with Langley about the abatements and about the fact that he would let you know when summons were put out?

Mr. ELKINS. That is correct. He was in the car with my brother and I and he wanted to know what we were going to require if he was elected. I said "Not a devil of a lot. It depends on certain things. We have never particularly embarrassed any D. A. and there is not much we want from you. We are pretty capable of running our own business. But," I said, "we would appreciate a phone call," or he not forgetting the fact that we had helped.

Mr. KENNEDY. Was it sort of understood that summonses were going to be put out?

Mr. ELKINS. It wasn't understood. He flatfooted said "I will look after you."

Mr. KENNEDY. Was there any discussion about when summonses were put out?

Mr. ELKINS. Yes. He would give us a call.

Mr. KENNEDY. What?

Mr. ELKINS. He would call me and tell me there was a warrant for the place.

Mr. KENNEDY. And also on the abatements that he wouldn't abate your place?

Mr. ELKINS. That is right.

Mr. KENNEDY. Those are the two services you wanted performed?

Mr. ELKINS. That is right.

Mr. KENNEDY. While they were out of the city, you received a call from Mr. Colacurcio?

Mr. ELKINS. Yes.

Mr. KENNEDY. And who did you know Colacurcio to be?

Mr. ELKINS. Well, I knew him to be another racketeer.

Mr. KENNEDY. A racketeer?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did you feel then that——

Mr. ELKINS. Well, I woke up then that I was getting the business, that the minute Langley won and Joe disappeared from Seattle, I

knew that Tom has decided to do a little bit of doublecrossing, and it was——

The CHAIRMAN. Tom Maloney, do you mean?

Mr. ELKINS. Tom Maloney; yes, sir.

Mr. KENNEDY. You received a telephone call then from Tom Maloney when he was coming through Portland that you should come up to Seattle, that John Sweeney and Frank Brewster wanted you to come up to Seattle?

Mr. ELKINS. That was a little later.

Mr. KENNEDY. A little bit later?

Mr. ELKINS. Yes.

Mr. KENNEDY. They wanted you to come up to Seattle to meet with Langley?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you say you felt this was rather foolish?

Mr. ELKINS. I did, because I couldn't see why if I could meet him to give him money, why I couldn't meet him to talk to him.

Mr. KENNEDY. Did you decide to go anyway?

Mr. ELKINS. They said that is John and Frank's orders, so I went and talked to him.

Mr. KENNEDY. And you went and met at the Olympic Hotel?

Mr. ELKINS. That is correct.

The CHAIRMAN. Brewster, he is the one that is head of the Western Conference?

Mr. ELKINS. That is right.

The CHAIRMAN. And this was after the elections?

Mr. ELKINS. That is right.

The CHAIRMAN. Did this have to do with operating these rackets?

Mr. ELKINS. That is right.

The CHAIRMAN. Since we cannot conclude with you this afternoon, I guess you are a little tired, and the committee has been very patient and attentive, we will have to go over until in the morning.

Is there anything further from any member of the committee?

If not, the committee will stand in recess until 10 o'clock in the morning.

(Whereupon, at 4:15 p. m., the committee recessed, to reconvene at 10 a. m. Wednesday, February 27, 1957.)

(Members present at the taking of the recess: The chairman, Senators Ives, Kennedy, and Mundt.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, FEBRUARY 27, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Joseph R. McCarthy, Republican, Wisconsin; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adlerman, assistant counsel; Alphonse F. Calabrese, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Present at the convening of the hearing were Senators McClellan, Ives, Kennedy, McNamara, McCarthy, and Goldwater.)

The CHAIRMAN. Call the witness, please.

Mr. KENNEDY. Mr. James Elkins.

The CHAIRMAN. Mr. Elkins, will you come around, please?

Mr. KENNEDY. While Mr. Elkins is coming around, could we put this list of principals of the Portland hearing in the record? These are the people who will be referred to as the hearing proceeds.

The CHAIRMAN. The Chair understands that this is a chart prepared by the staff based upon information as it was received, and that the names of the persons there and their positions and connections with different labor organizations or whatever their position may be is identified.

The purpose of the chart is to assist the committee and the press and the public in understanding as names are called who they are so as to identify them properly in the minds of the members of the committee and also for the record.

Mr. KENNEDY. That is correct, Mr. Chairman.

The CHAIRMAN. The chart will be printed in the record at this point.

(The chart listing principals in the Portland hearings follows:)

Altschuler, Morric, bookmaker brought to Portland by McLaughlin.
 Brewster, Frank W., president of the Western Conference of Teamsters, Seattle.
 Beckman, Les, Portland pinball operator.
 Bennett, Clifford O. (Jimmy), Portland bootlegger.
 Clark, Raymond F., Elkins' employee who tape recorded the plotters' conversation.
 Crosby, Clyde C., international organizer for the teamsters in Oregon and member of Portland's Exposition-Recreation Commission.
 Crouch, Neil, operator of the Mount Hood Cafe, Portland.
 Colacurcio, Frank, Seattle restaurant operator.
 Dunis, Lou, Portland pinball operator.
 De Graw, Clyde (deceased), operator of the Dekum Tavern, Portland.
 Elkins, James B., financier of illegal gambling and bootlegging operations, Portland, Oreg.
 Elkins, Fred, brother, and occasional business partner of James B. Elkins.
 Earl, Stanley, Portland city commissioner.
 Ferguson, Harvey (Swede), Portland bootlegger.
 Goldbaum, Hy, gambler and friend of Brewster's.
 Goebel, William, Portland pinball operator.
 Hildreth, Lloyd, secretary, Portland Local 223, Teamsters' Union.
 Hardy, Helen, Portland bawdy house madam.
 Hanzen, Henry, Portland and Salem, Oreg., attorney, and early supporter of Langley for district attorney.
 Jenkins, James Q., employee of James Elkins (former).
 Johnson, Thomas, leader of the Portland Negro district underworld.
 Kelley, John W. (Bill), Portland real estate dealer.
 Kane, Bernie, employee of James Elkins (former).
 Langley, William M., district attorney of Multnomah County, Oreg., of which Portland is the county seat.
 Lystad, Lester and Stanley, operators of the American Shuffleboard Sales Co., Seattle.
 Maloney, Thomas Emmett, Seattle gambler.
 Malloy, Frank, business agent, Portland Local 223, Teamsters' Union.
 McLaughlin, Joseph Patrick (alias McKinley), Seattle gambler.
 McCourt, John B., district attorney defeated by Langley.
 Nemer, Norman, Portland punchboard operator.
 O'Donnell, John J., Multnomah county auditor, and teamster-backed candidate against Earl for city commissioner.
 Plotkin, Leo, bootlegger and associate of Maloney.
 Peterson, Fred L., former Portland mayor.
 Purcell, Jim, Jr., Portland police chief under Mayor Peterson.
 Purcell, Bard, Portland police lieutenant, brother of the ex-chief.
 Plummer, Herman, Portland real estate dealer.
 Sellinas, Sam, Seattle associate of teamsters.
 Sweeney, John J. (deceased), Crosby's predecessor in Oregon and later Secretary-Treasurer of the Western Conference of Teamsters.
 Smalley, Helen, Portland bawdy house madam.
 Schrunk, Terry D., present Portland mayor who defeated Peterson.
 Sloniger, C. R., Portland attorney.
 Terry, Stanley G., Portland pinball operator.
 Thompson, Ann, bawdy house madam, Seattle and Tacoma.
 Thornton, Robert Y., Oregon's attorney general.
 Wright, Veral P. (Budge), Portland pinball operator.
 Walter, Herman, business associate of Wright.
 Zusman, Nate, operator of Desert Room, Portland night club.

The CHAIRMAN. All right, Mr. Counsel; we will proceed.

Before this witness proceeds with his testimony, the Chair, after consultation with other members of the committee present wishes to make this announcement.

Since this witness testified yesterday afternoon the FBI advises us that his brother, Carl Elkins, and it was his other brother he referred to yesterday, but at least his other brother, Carl Elkins, who is in

Arizona has received another and this is not the first, but has received another anonymous telephone call threatening his life if he should testify or if Mr. Elkins, the witness present, continues to testify.

The FBI advises that they are initiating an immediate investigation. The Chair wishes to state that on the basis of information the committee has of which this announcement is just a part, it is developing apparently that the hoodlum and gangster element that has infiltrated into labor and management relations possibly intend to challenge the work and labors of this committee with every obstruction and every hindrance that they can possibly place in the way, including violence, threats of violence, and all forms of intimidation and coercion.

If that situation develops as it appears now it is in the process of doing, the Chair wishes to say, and I believe I say it with the approval and with the acquiescence and endorsement of every member of this committee, that such action will be a challenge to law and order and to the power of the Government of the United States.

I believe and I hope that this committee has the courage in the face of these threats to continue to do its duty. The witness who is testifying now and others who will testify, are to be commended. They are performing a patriotic duty to their country in my judgment somewhat comparable to that of opposing an enemy in time of war. They should have national commendation for the courage that they are manifesting and for the ordeal and mental anguish that they labor under when they try to respond to their Government and to give the information that is essential to this committee and to the Congress of the United States if it is to preserve our liberties and the great blessings that we enjoy.

Are there any comments from any member of the committee?

Senator IVES. I simply want to endorse what you have said, Mr. Chairman, wholeheartedly. I think it is excellent. I am sure every member of the committee feels the same way.

The CHAIRMAN. Are there any other comments?

Senator McCARTHY. I would say I agree wholeheartedly with what the chairman has said.

The CHAIRMAN. I want to again announce insofar as this committee has any power and insofar as other law-enforcement agencies of this country have the authority and duty, I believe we will exercise it to the limit.

All right, proceed with the witness.

TESTIMONY OF JAMES B. ELKINS—Resumed

Mr. ELKINS. Could I say something about the brother you spoke of? He is not in the rackets. He is an honest man, as we call him, a "square."

The CHAIRMAN. Thank you very much and I assure you that some people who are in the category of hoodlums and gangsters have no respect for decency. They would harm your brother just as quickly as they would you.

Mr. ELKINS. I appreciate that.

The CHAIRMAN. If they thought they could advance their cause and protect themselves by so doing, they would. I am glad to have you make that statement about your brother and I trust that the au-

thorities who have that responsibility are on the job and I am confident they are and will afford every protection it is possible to afford.

Mr. KENNEDY. Mr. Elkins, yesterday we went through the relationship that you had with Mr. Tom Maloney and how you met Mr. Tom Maloney and his coming down to Portland and his being able to put your machines in the labor temple, and then your tieup with District Attorney Langley and Tom Maloney being able to switch the teamster backing from Mr. McCourt to Mr. Langley, is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Now, they came out actively for Mr. Langley ultimately, did they not, the teamsters?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Initially, it was supposed to be quiet but then after you brought Tom Maloney down there permanently and paid him \$50 a day, then the teamsters came out and actively supported Mr. Langley.

Mr. ELKINS. That is right.

Mr. KENNEDY. Then, there was the understanding that you had with the district attorney that he was going to keep you informed at any time any summonses were put out for any of the places in which you were interested, is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And also, that he would cover you as far as abate-ments were concerned.

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Now, the abatements mean that when a place is raided twice, they put a padlock on it for a year, is that right, and you cannot use it.

Mr. ELKINS. That is the method Mr. McCourt used and sometimes he wouldn't wait for them to be arrested.

Mr. KENNEDY. That would be one of your greatest problems if that happened.

Mr. ELKINS. That is right.

Senator McCARTHY. Could I interrupt for just one minute? I think when we talk about the teamsters we should make it clear that we are talking about certain elements in the teamsters' union. I know so many fine people in the teamsters union and I know they do not go along with this and I do not know what term you can use, but we are not speaking of the teamsters as a whole, is that right?

The CHAIRMAN. We are not speaking of the rank and file, the men who pay the dues and do the honest work. We are speaking of that element that has infiltrated into that organization that is pursuing these practices and activities about which witnesses are testifying.

I am sure that the public understands that and I am sure in the teamsters union there are hundreds of thousands of fine American citizens who will applaud, I think, our cleaning up this thing.

Mr. KENNEDY. Now, yesterday we were able to go through as far as the election of Mr. Langley and that you were called up to meet with Mr. Langley and Mr. Maloney in Seattle.

Mr. ELKINS. That is right.

Mr. KENNEDY. That you received a telephone call from Tom Maloney, that Frank and John wanted you to come to Seattle to meet with Maloney and with Langley, is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And John and Frank are John Sweeney and Frank Brewster?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Now, I want to skip over that meeting and skip over the next 6 or 7 months, in which you were working with Tom Maloney and Joe McLaughlin, and certain teamster officials and the district attorney to set up certain operations in the city of Portland.

Now, after approximately September of 1955 you had a fight, a major fight, with Joe McLaughlin, Maloney, Clyde Crosby, and the rest.

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. It was at that time that you decided that you would put a tap in their room and bug their apartment, is that right?

Mr. ELKINS. Yes, and carried a miniphone.

Mr. KENNEDY. When you spoke to them.

Mr. ELKINS. A great deal of the time.

Mr. KENNEDY. Could you tell the committee why you did that?

Mr. ELKINS. Well, Crosby and Maloney and all of those people were past masters at making you out a liar. Everything you did, they would either doublecross you or call you a liar. I don't like to be called a liar.

Mr. KENNEDY. Did you feel with your reputation that you would have a difficult time proving to anybody that you were not.

Mr. ELKINS. I thought it would be next to impossible to prove it unless I had it in their own words and something to back me up on everything.

Mr. KENNEDY. Is that why you put the bug in their room?

Mr. ELKINS. Yes, that is exactly right.

Mr. KENNEDY. Now, after you took these tape recordings, you then after some period of time, drew them to the attention of Mr. Clyde Crosby, who was the international organizer of the teamsters.

Mr. ELKINS. I did.

Mr. KENNEDY. Then, did you try to go up to meet Mr. Frank Brewster.

Mr. ELKINS. I did.

Mr. KENNEDY. Now these tape recordings covered subjects such as prostitution.

Mr. ELKINS. They did.

Mr. KENNEDY. And abortionists?

Mr. ELKINS. Yes.

Mr. KENNEDY. Gambling.

Mr. ELKINS. Correct.

Mr. KENNEDY. Bootlegging.

Mr. ELKINS. That is right.

Mr. KENNEDY. After-hours joints.

Mr. ELKINS. That is right.

Mr. KENNEDY. And you were going to try through these tape recordings to get Joe McLaughlin and Tom Maloney out of this situation in Portland, Oreg.

Mr. ELKINS. That is right.

Mr. KENNEDY. So you met with Mr. Clyde Crosby and did you then try to meet Frank Brewster up in Seattle?

Mr. ELKINS. I did; yes, sir.

Mr. KENNEDY. Did you have a difficult time meeting with them?

Mr. ELKINS. I did. I first tried to get to John Sweeney, and I couldn't get to him.

Mr. KENNEDY. He wouldn't answer the phone.

Mr. ELKINS. No.

Mr. KENNEDY. You found that he was out always.

Mr. ELKINS. He was either in "Holland," "Gypswitch" or somewhere.

Mr. KENNEDY. And you never talked to him.

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Did you try to get hold of Frank Brewster?

Mr. ELKINS. I did.

Mr. KENNEDY. Were you unsuccessful in that?

Mr. ELKINS. I was.

Mr. KENNEDY. Ultimately through a contact, were you able to meet with Frank Brewster and go up to see Frank Brewster?

Mr. ELKINS. I was; yes, sir.

Mr. KENNEDY. Would you tell the committee what happened in your trip to Frank Brewster. Would you tell the committee whether you had a miniphone on at the time that you met with Frank Brewster?

Mr. ELKINS. Could I answer that in executive session or later?

The CHAIRMAN. Are you testifying under fear and apprehension?

Mr. ELKINS. Well, I have a family and I know they are going to do something to me, but that doesn't make any difference. They are doing their best, but naturally I want to protect myself if I can.

The CHAIRMAN. I think unless there is objection, where the witness is cooperating and where he requests on some point of his testimony to be heard in executive session, the Chair feels unless there is objection that we should grant the witness his request.

Without objection, then, the witness' request will be granted and that part of his testimony will be deferred for an executive session.

Mr. KENNEDY. Will you recount for the committee the conversation that you had with Mr. Frank Brewster?

Mr. ELKINS. As near as I can remember it, I came into his room and I first sat down in his little waiting room. Three men came in and looked me over for a couple of minutes and walked out. Then, he came in and I went in his place. I am looking around and he said, "You don't have to be so-and-so afraid of me. I don't wire up my place." I said, "I am not afraid of you wiring it up, Mr. Brewster." He said, "I am going to tell you to start with I don't like the people you represent." I said, "I don't represent any people, just Jim Elkins."

He said, "Well, I am going to tell you something else. I make mayors and I break mayors, and I make chiefs of police and I break chiefs of police. I have been in jail and I have been out of jail. There is nothing scares me."

I said, "I don't want to scare you. All I want to be is left alone." He talked a little more and he got red in the face and he said, "If you bother my 2 boys, if you embarrass my 2 boys, you will find yourself wading across Lake Washington with a pair of concrete boots." I believe that was the expression.

I said, "Let us name the boys."

The CHAIRMAN. Who were the two boys?

Mr. ELKINS. Clyde Crosby and Bill Langley.

The CHAIRMAN. Crosby was what at that time?

Mr. ELKINS. He had the job he has right now.

The CHAIRMAN. Crosby was what?

Mr. ELKINS. Whatever the position he holds, he is the big man for the teamsters union in Portland and he is in charge of the Portland area, international representative or whatever he is.

The CHAIRMAN. He was a big official or power in the teamsters union at that time?

Mr. ELKINS. That is correct.

The CHAIRMAN. Who was Langley?

Mr. ELKINS. He was the district attorney of Multnomah County, Portland, Oreg.

The CHAIRMAN. And he was ordering you not to embarrass him?

Mr. ELKINS. That is correct.

The CHAIRMAN. If you did, you would find yourself walking through Lake Washington with a pair of concrete boots.

Mr. ELKINS. That is correct.

The CHAIRMAN. All right, go ahead.

Mr. ELKINS. He also said, "Tom Maloney is a blubberheaded blabbermouthed so-and-so and I have known him 20 years, and I have put him in business 20 times and he messes up every time." Although he didn't say "mess up."

I told him I agreed with that, certainly, and he said Joe McLaughlin would be an asset to any man's organization.

The CHAIRMAN. He said that or you said it?

Mr. ELKINS. He said it. He said—

But I don't know what you're bellyaching about. You didn't let them make enough money. They could have done better in a popcorn stand.

The CHAIRMAN. He was claiming you didn't let them make enough money?

Mr. ELKINS. That is correct.

The CHAIRMAN. Are those the two men who testified here yesterday?

Mr. ELKINS. That is correct, yes, sir.

The CHAIRMAN. They took the fifth amendment?

Mr. ELKINS. That is correct; yes sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Will you go ahead?

Mr. ELKINS. That is it. I just walked out, and I went on back home. Then I started catching more hell than I did before.

Mr. KENNEDY. What happened to you then?

Mr. ELKINS. They would call my wife and make threats, and then they would call at 2 o'clock in the morning and tie the phone up for a couple of hours.

Mr. KENNEDY. How would they tie the phone up?

Mr. ELKINS. They would call from some place and leave the receiver off. If they called from a roadside pay phone and left the receiver hanging, you can't use your phone.

They told me and my wife, "We are just a minute away and we are coming over to break both arms and both legs." I said, "Well we'll be waiting." My wife wanted to run next door to the neighbors, but I didn't want her out of the house, and I didn't want to leave her and the youngster there alone. So I just took a shotgun and sat by the door, but they didn't come.

The CHAIRMAN. Did they ever come?

Mr. ELKINS. Two fellows came when I wasn't home on two occasions and she called me and they would leave before I could get there.

Mr. KENNEDY. How did you finally catch them there?

Mr. ELKINS. Well, I left like I was going to leave and I doubled back in another car.

Mr. KENNEDY. In another car?

Mr. ELKINS. In another car; yes.

Mr. KENNEDY. Then, what happened?

Mr. ELKINS. Well, I pulled up to the curb, and I talked to them and they left and they didn't come back no more.

The CHAIRMAN. You did what?

Mr. ELKINS. I talked to them. Well, I pointed the shotgun at them and I talked to them, and they didn't come back any more.

Mr. KENNEDY. Did you do anything else with them?

Mr. ELKINS. Yes; I did. One of them, yes, I treated him a little rough.

Mr. KENNEDY. What did you do with him?

Mr. ELKINS. Well, I hit him on the head and knocked him around a little bit and put him back in the car and told his buddy that I was going to shoot the next person that came in my yard.

Mr. KENNEDY. And they never came back?

Mr. ELKINS. They never came back. Another time they called at 9 o'clock in the morning and they said, "Old man, we want to meet you right now," and my wife got excited when she heard the voice and she thought she knew them and so I took the phone and I said, "Well, I can't meet you right now, but when and where?"

They said, "96th and Marine Drive." I said, "In the river or out of the river?" 96th and Marine Drive is on the banks of the Columbia River. And he said, "You just be there." But my wife raised such a fuss that I didn't go.

The CHAIRMAN. You did not keep the appointment?

Mr. ELKINS. No, I didn't keep the appointment.

Mr. KENNEDY. How many telephone calls do you think that you received during this period of time?

Mr. ELKINS. Maybe 20, and I don't believe over 20.

Mr. KENNEDY. Were they at all times?

Mr. ELKINS. Day and night, anytime, 2 or 3 o'clock in the morning sometimes. When they tied it up the longest was from about 1:30 until about 3:30.

Mr. KENNEDY. The way they would tie it up was to put a call in to you and then leave their own phone off the hook.

Mr. ELKINS. That is correct.

Mr. KENNEDY. That ties your phone up?

Mr. ELKINS. Your phone is tied up, that is correct. When I would listen on the receiver I could hear trucks go by occasionally. So first I thought they had cut my telephone line, and then I guess the telephone company or someone would come by to use this phone eventually and hung it up.

The next day I called the telephone company and they explained to me what happened.

Mr. KENNEDY. Did you ever take any measures to protect yourself?

Mr. ELKINS. Yes, the Portland Police Department was trying to protect me but I live in the county and the teamsters controlled the sheriff, so I didn't feel like I could get much protection there. So the city police attempted to try to cover me, but they were out of their jurisdiction. One of the boys was indicted for some simple thing, a Portland policeman.

Mr. KENNEDY. What was that?

Mr. ELKINS. He was eventually indicted.

Mr. KENNEDY. For doing what?

Mr. ELKINS. False swearing, they called it.

Mr. KENNEDY. How long a period of time did this continue?

Mr. ELKINS. About 7 months.

Mr. KENNEDY. Did you put lights up in your house?

Mr. ELKINS. Floodlights all of the way around, up in the trees and on the sides of the house.

Mr. KENNEDY. When you were up visiting Frank Brewster he said to you that if you embarrassed his boys, you would be walking through Lake Washington with cement boots?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You are sure that he said that?

Mr. ELKINS. I am positive.

Mr. KENNEDY. Was your other brother, Fred Elkins, ever threatened?

Mr. ELKINS. No, not that I know of. He doesn't live in Oregon.

The CHAIRMAN. Mr. Elkins, you have testified that you talked persuasively to two of those who came to visit you.

Mr. ELKINS. Yes, sir.

The CHAIRMAN. Did you identify the 2 men that you knew, those 2 that you had the encounter with?

Mr. ELKINS. No, I did not. I didn't know them. They had a license that I had run down later and it was a stolen license plate and it wasn't a proper license plate.

The CHAIRMAN. You tried to identify them later?

Mr. ELKINS. That is right.

The CHAIRMAN. And you ran into the difficulty of trying to trace a stolen license?

Mr. ELKINS. That is right.

The CHAIRMAN. Or someone using a stolen license?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Now, Mr. Elkins, I would like to take you back to that meeting in early January of 1955 when you received the telephone call from Tom Maloney to come up to Seattle——

Mr. ELKINS. That is right.

Mr. KENNEDY. And meet with Tom Maloney and William Langley.

Mr. ELKINS. That is correct.

Mr. KENNEDY. Now, William Langley had just been elected district attorney; is that right?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. You came up and met Tom Maloney and William Langley at the Olympic Hotel.

Mr. ELKINS. Yes.

Mr. KENNEDY. In a room at the hotel and will you tell the committee what went on in that hotel room?

Mr. ELKINS. Well, I asked what is the purpose of the meeting and they said it is just a discussion about what we are going to do.

Mr. KENNEDY. Could you talk a little bit more into the microphone and also a little louder.

Mr. ELKINS. They said they were going to have a discussion about what was going to take place when Langley went in, and I said, "In what way?" "Well," he said, "you are going to have a little gambling and a little this and a little that."

Mr. KENNEDY. What is "a little of this and a little of that?"

Mr. ELKINS. Card rooms, horse books, and I think he mentioned 3 or 4 houses of prostitution, bootlegging joints, punchboards.

Mr. KENNEDY. Who said this to you?

Mr. ELKINS. Bill said, "We are going to discuss what is going to go."

Mr. KENNEDY. Bill is Bill Langley?

Mr. ELKINS. Bill Langley.

Mr. KENNEDY. He was the newly elected district attorney?

Mr. ELKINS. Yes, that is correct.

Mr. KENNEDY. And he was telling you what was to be allowed to go in the city?

Mr. ELKINS. That is right. He said, "I want Tom in the picture. I am going to cut my take with him until he gets going."

Mr. KENNEDY. What did he mean by that?

Mr. ELKINS. Well, what the payoff was to him, he told me that he had to split it with Tom.

The CHAIRMAN. That is Tom Maloney?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Tom was to come down into Portland?

Mr. ELKINS. That is right.

Mr. KENNEDY. And you and Tom were to set up this town in this manner?

Mr. ELKINS. That is right.

Mr. KENNEDY. Having these horse books and having the card rooms and the gambling and after-hours places.

Mr. ELKINS. I told him, "I won't be a party to the card rooms." They are operated under a license and they run their little poker game or pan game and it is gambling but it has been around there as many years as I have and I don't feel like trying to muscle in on them.

Mr. KENNEDY. So what they were suggesting was to take a certain cut of the card rooms; is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. And the card rooms as they operated in Portland were independent and you felt that nobody could take a piece of them; is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. But the other things, the other operations, the gambling and the after-hour places, that was possible?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Now, what did you say when Mr. Langley suggested opening the 3 or 4 houses of prostitution?

Mr. ELKINS. Well, I passed it over, the first remark, because I knew we weren't going to do it.

Mr. KENNEDY. Was that actually suggested by Maloney or was it suggested by Langley?

Mr. ELKINS. It was suggested by Maloney.

Mr. KENNEDY. Tom Maloney?

Mr. ELKINS. Yes. He said:

It is okay with Bill for 3 or 4 houses and I am going to take you down and introduce you to Ann Thompson.

Mr. KENNEDY. Who was Ann Thompson?

Mr. ELKINS. Well, according to Tom, I didn't know her; she was a professional madam.

Mr. KENNEDY. And what did he say about her?

Mr. ELKINS. Well, he wanted to introduce me and he said he wanted her to supervise the houses.

Mr. KENNEDY. What did you say to that?

Mr. ELKINS. I got up to leave and he said:

There is no point in getting mad.

Langley said:

You don't have to go and talk to her; it was just a suggestion.

Mr. KENNEDY. He said it was just a suggestion and that you didn't have to get mad about it?

Mr. ELKINS. That is right.

Mr. KENNEDY. Have you run any houses of prostitution of your own?

Mr. ELKINS. I am not.

Mr. KENNEDY. You never have?

Mr. ELKINS. No, sir.

Mr. KENNEDY. You haven't gotten any income from any houses of prostitution?

Mr. ELKINS. Not a nickel.

Mr. KENNEDY. You are under indictment now for operating on prostitution?

Mr. ELKINS. That is right.

Mr. KENNEDY. Is the indictment against you a correct thing or not?

Mr. ELKINS. No; it is as phony as it can be.

Mr. KENNEDY. You never received any money from any madam?

Mr. ELKINS. Not a nickel; no.

Mr. KENNEDY. And this indictment against you now is not accurate or true?

Mr. ELKINS. It is not.

Mr. KENNEDY. But you have been indicted on it?

Mr. ELKINS. I have; yes.

Senator McCARTHY. Was this indictment obtained by the district attorney who was also indicted?

Mr. KENNEDY. This was obtained by the State attorney who is not under indictment.

Senator McCARTHY. The district attorney was not the same one?

Mr. KENNEDY. That is Mr. Thornton, the State attorney, who is not under indictment. The district attorney is the one that is under indictment.

Senator McCARTHY. Thank you.

Mr. KENNEDY. But you say this is not true; you never received any moneys from any madams.

Mr. ELKINS. That is right. I was indicted jointly with two young fellows and one of them—I was asked by the grand jury if I had ever loaned this young fellow any money, and I told them that I had. But

he didn't let me explain it was to operate bootlegging and afterhour spots, and gambling.

Mr. KENNEDY. You had given this man, you had bankrolled this man, to operate a bootlegging place; is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And it developed that he also went into——

Mr. ELKINS. It didn't develop. I still don't think that he ever did.

Mr. KENNEDY. That he got into prostitution?

Mr. ELKINS. He was supposed to have money with cabdrivers, which he admitted doing, when they would steer someone there for gambling, but that is the story the boys told me. One story I didn't know until after the indictment.

Mr. KENNEDY. You hadn't even known one of the boys?

Mr. ELKINS. That is correct.

Mr. KENNEDY. But as far as you ever being concerned with prostitution, you never were.

Mr. ELKINS. I have not.

Mr. KENNEDY. So when it was suggested to you in the room, with Tom Maloney and the district attorney, you said you would not have anything to do with it; is that right?

Mr. ELKINS. I said, "I don't want any part of any houses."

Mr. KENNEDY. Did they also mention the position that Joe McLaughlin was to have? Was Joe McLaughlin's name mentioned?

Mr. ELKINS. Well, Bill said that he met Joe, and he thought John Sweeney and Frank Brewster wanted Joe in the picture, but he didn't have too much to say about that at that trip because I left then.

Mr. KENNEDY. And you went back to Portland?

Mr. ELKINS. That is correct.

Mr. KENNEDY. When was the next meeting?

Mr. ELKINS. In 3 or 4 days John Sweeney called me and told me to come to Seattle in the next day or two and so I went up.

Mr. KENNEDY. John Sweeney is now up in Seattle?

Mr. ELKINS. John Sweeney is dead.

Mr. KENNEDY. But I mean he was up at Seattle and Clyde Crosby replaced him in Portland.

Mr. ELKINS. That is right. So I went to the teamsters' hall in Seattle and Joe McLaughlin meets me in the hall and he takes me into a room and John Sweeney, Tom Maloney, and Joe McLaughlin and another man was in there, who they introduced me to, but I couldn't swear what his name is right now.

Sweeney said:

He is one of the boys and you can talk freely in front of him.

They talked about pinballs and punchboards and then he told me:

I want you to sit down with Tom.

Mr. KENNEDY. Could you speak up a little bit?

Mr. ELKINS. "I want you to sit down with Tom and Joe—," meaning Tom Maloney and Joe McLaughlin,

and Frank Brewster has ordered me to send Joe McLaughlin down there to keep Tom out of trouble. So Joe is going to take care of the district attorney. You or Tom are not to tell the district attorney what to do. Let Joe handle that and Joe can also give you some pointers on how to set up an operation of this type.

Mr. KENNEDY. Did he say anything about Joe's experience in the past?

Mr. ELKINS. He said he had plenty of experience and he was a smart operator.

Mr. KENNEDY. So what did you say to that?

Mr. ELKINS. I didn't say anything and he didn't ask me anything. He was telling me and he didn't ask me.

Mr. KENNEDY. So what happened then?

Mr. ELKINS. Joe McLaughlin and Tom Maloney and I go together in the car and take a ride in it. We talked for about an hour and I told him I wouldn't try to cut in on any local people, but if he wanted to open a horse book or something of their own, I would help them. But I didn't feel like cutting them in on a couple of spots that I had of my own. I was talking about gambling and bootlegging.

Mr. KENNEDY. This was while you were driving the car?

Mr. ELKINS. No; we were parked alongside the curb and we were discussing that.

Mr. KENNEDY. Was there any discussion about anything that you could do down there other than gambling and afterhour places?

Mr. ELKINS. Yes; they were talking about anything, oh, Lord, that they could get their teeth in.

Mr. KENNEDY. Was there any discussion about how the teamsters or the teamster union would help?

Mr. ELKINS. That is correct. They said with the power of the teamsters, and their weight behind it, Portland was not an open town and that the chief of police wouldn't go along with an open town, and they said either he will go along or the teamsters will get him moved, meaning the chief of police.

Mr. KENNEDY. They were going to get the chief of police moved?

Mr. ELKINS. If he didn't go along. But they thought I was lying to them even at that time and they thought that I was operating under protection.

Mr. KENNEDY. But they told you that they would have the help and assistance of the teamster officials in Portland?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And that Frank Brewster and John Sweeney were behind this operation?

Mr. ELKINS. That is right.

Mr. KENNEDY. Now, you went back and you had lunch that day, did you?

Mr. ELKINS. We did; yes, sir.

Mr. KENNEDY. And then what did you do?

Mr. ELKINS. Well, I went on back to Portland and they came down a few days later.

Mr. KENNEDY. They came down and this is still early January, is that right?

Mr. ELKINS. Oh, no, this is the last of December between Christmas and New Years. I believe it was. I am not positive of the dates, though, but it was the latter part of 1954 when we had this talk. I believe Bill Langley took office on the 2d of January, if I am not mistaken, and they were in Portland.

Mr. KENNEDY. So the meetings up in Seattle had taken place about the end of December.

Mr. ELKINS. That is right.

Mr. KENNEDY. And they ultimately came down, Joe McLaughlin and Tom Maloney, ultimately came down to Portland in the early part of January.

Mr. ELKINS. That is correct.

Mr. KENNEDY. Or was it the end of December, or early part of January?

Mr. ELKINS. It was the early part of January of 1955.

Mr. KENNEDY. Now, where did they register at that time?

Mr. ELKINS. Multnomah Hotel.

Senator McCARTHY. I did not get the answer.

Mr. KENNEDY. Multnomah Hotel. Did they call you up?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Who called you then?

Mr. ELKINS. I believe it was Tom.

Mr. KENNEDY. Now, did you have a discussion at that time about what investigators should be put on the district attorney's staff?

Mr. ELKINS. Yes, we did.

Mr. KENNEDY. Was Tom reluctant to put anybody on because he felt they would get too close to the district attorney?

Mr. ELKINS. That is correct. Langley had decided to put on a police lieutenant that he had known several years. Tom said:

We don't want anyone close to him because it will give him stealing privileges.

Mr. KENNEDY. Because of what?

Mr. ELKINS. That he didn't want any investigator, because it would put them too close to Langley and it would give them stealing privileges. He went to this police lieutenant and told him that he can't work for Langley.

Mr. KENNEDY. Maloney told him, himself?

Mr. ELKINS. Yes, sir, or he told me he told him, and I never checked.

Mr. KENNEDY. Now Maloney told you that he had told this police lieutenant.

Mr. ELKINS. That is right.

Mr. KENNEDY. And you have given me the name of the police lieutenant.

Mr. ELKINS. That is right.

Mr. KENNEDY. The next day, did you have another meeting with them, or with Tom?

Mr. ELKINS. Yes, I believe it was both of them.

Mr. KENNEDY. Was your brother there at that time?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And also, Joe McLaughlin?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And Tom Maloney and yourself?

Mr. ELKINS. Yes.

Senator McCARTHY. Could I interrupt for just one minute? I was absent yesterday for awhile testifying before the Judiciary Committee and so I may have lost track of some of the testimony. Has it been brought out yet that Mr. Elkins was supporting one candidate for district attorney, the teamsters another, and that was one of the sources of friction?

Mr. KENNEDY. It developed yesterday that initially that was so, and then the teamsters switched from the incumbent district attorney who they had backed in the previous election, and they switched to the district attorney Langley, and then Mr. Elkins and the teamsters backed the same candidate.

Senator McCARTHY. Could I ask Mr. Elkins a question there? Did you finally support McCourt or Langley?

Mr. ELKINS. Langley.

Senator McCARTHY. In other words, you went along with the teamsters on it?

Mr. ELKINS. That is right, and I furnished the money.

Senator McCARTHY. I would like, Mr. Chairman, if I may to say this: The Chair made a statement in the opening in which he applauded the witnesses, and I assume this witness also, and I said that I agreed with the Chair wholeheartedly. I would like to make it clear that I agree insofar as individuals come in here to testify. I do not know anything about this man's background and I have just been handed an affidavit by a Mr. Crosby who wants to testify, and I know nothing about Crosby.

I would like to make it clear that I am not endorsing the testimony of this or any witness. I hope I make myself clear in that, Mr. Chairman.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Elkins, you had this discussion about the investigator. Then the following day you had a meeting with Joe McLaughlin and Tom Maloney and your brother. Then, at that time, did you discuss the setup of the town gambling and bootlegging?

Mr. ELKINS. That is right.

Mr. KENNEDY. And the craps and the various other games?

Mr. ELKINS. That is right.

Mr. KENNEDY. At that time, how many bootlegging joints were there going in the city of Portland?

Mr. ELKINS. I had 2 and there was possibly another 2 running.

Mr. KENNEDY. Did you feel that there was room in the administration to take any more than that?

Mr. ELKINS. No.

Mr. KENNEDY. Did you also discuss the pinballs, and pinball operations?

Mr. ELKINS. Yes, I did.

Mr. KENNEDY. Did you discuss how much money was to be paid, and how much money you were supposed to pay each month to Maloney and McLaughlin, and Langley?

Mr. ELKINS. Yes; I did.

Mr. KENNEDY. Now, would you tell the committee what proposition was made to you and by whom at that time?

Mr. ELKINS. I don't know how to answer that.

Mr. KENNEDY. First, you can tell what discussion took place, and I am not asking you at this time what you did.

Mr. ELKINS. Yes. I was asked for \$2,000 a month for Bill Langley. Because he had to cut it with Tom Maloney.

Mr. KENNEDY. That he had to cut it with Tom Maloney?

Mr. ELKINS. That is correct.

Mr. KENNEDY. In addition to that, were you supposed to pay certain moneys to Maloney and McLaughlin?

Mr. ELKINS. Anything we could get going.

Mr. KENNEDY. You were supposed to split with them?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. But you were supposed to give William Langley \$2,000 outright?

Mr. ELKINS. That is right.

Mr. KENNEDY. And it was to go through Joe McLaughlin?

Mr. ELKINS. That is correct.

Mr. KENNEDY. That was explained to you at that time?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you discuss a lesser figure at that time that you might give?

Mr. ELKINS. Yes; I did, but about that time John Sweeney makes a trip down to Portland again, and again he don't ask me, he tells me:

You are to take orders from Joe and I want you and Joe and Tom to get along together.

Mr. KENNEDY. Did you make these arrangements that they suggested?

Mr. ELKINS. No; I didn't.

Which arrangements are you talking about?

Mr. KENNEDY. Did you pay McLaughlin any money for William Langley?

Mr. ELKINS. I discussed that and if I am forced to answer that question I would rather answer it in executive session.

The CHAIRMAN. Without objection, we have a transcript that will show these points for executive session.

Senator McCARTHY. What is the question?

Mr. KENNEDY. On the amount of money that he had paid to the district attorney. First, there the request was that he pay \$2,000 a month to the district attorney through Joe McLaughlin, and then I asked him the question of whether he ever paid this, or any moneys, directly, and I am asking him whether he paid this or any moneys directly or indirectly to the district attorney.

Senator McCARTHY. And he wants to answer in executive session.

May I say, Mr. Chairman, that I can see no reason, if I may have the Chair's attention, why a question such as this should not be answered in open session. There is quite a contest, as we all understand, between this young man and some other elements in Portland, and I believe that the answer should be made in open session.

Mr. KENNEDY. If I might say, I think that the problem is going to be on this that if he states that he gave money to the district attorney, then he can very well be indicted. Now, I think that I have received from unimpeachable source that he paid certain moneys to the district attorney, directly and indirectly. He is willing to answer that question in executive session with the understanding that the transcript is not transmitted to the State's attorney out there in the State of Oregon. If he can answer that question with the understanding that he is not going to be prosecuted for giving money to the district attorney, and if we can give him those assurances, it is possible that he will answer that question.

Senator McCARTHY. May I say, Mr. Kennedy, and I do have great respect for your judgment in these matters, that Mr. Chairman I do not believe we can, No. 1, give the witness any assurance that evidence

he gives in executive session will not be transmitted to the proper authorities. I do think that statements made by a witness to the staff in the course of an investigation when it is given under the understanding that it will be treated in confidence—I think that that should be respected.

Now however, as a committee, I do not believe that we can condone any violation of law. The witness of course would be equally guilty whether—strike that—the testimony would be equally effective whether he gave it in executive session or open session. If there is a district attorney out in Portland, and I do not know this man Langley at all, and I have never met him, and I do not even know what his politics are—I think if he received money the public is entitled to know that.

I frankly think, Mr. Chairman, that this is a question that should be answered, unless of course the witness takes the fifth amendment, and I gather he does not intend to do that at all. I get the impression he intends to give the complete story.

The CHAIRMAN. The Chair a few moments ago, or a little earlier, on one particular question, and I do not recall the exact nature of it, submitted to the committee that we would hear his testimony on that point in executive session. The committee agreed. I am reluctant to force the witness at this stage of the hearings to answer a question that he says he is perfectly willing to answer in executive session. I know this committee cannot promise the witness any immunity. We cannot assure him that testimony taken in executive session will not at some time maybe early and maybe later, be released for the public.

This witness has been very cooperative and I want to show him every courtesy possible and I am going to rule for the moment until the committee can—

Senator McCARTHY. Before you rule, Mr. Chairman, may I make this observation, that if there is evidence of violation of the law on the part of the district attorney or anyone else, given in executive session, I strongly urge that the committee make that information available to a grand jury. I may not prevail. But I think the witness should know that as the Chair has indicated, he has cooperated, but there should be no privileged sanctuary in executive session.

The CHAIRMAN. Now, if you will permit the Chair to rule, the Chair is going to rule that for the present we will not compel this witness to testify or to answer to questions propounded to him whether he gave money to the district attorney. The Chair will, during the day, before this witness leaves, have an executive session of this committee, at which time the testimony that the witness might be able to give will either be heard or the committee will be briefed on it and then the committee will determine. The Chair only makes this as a temporary ruling, and not stating at the time how he will resolve it so far as he is concerned at this time, but I do want to proceed.

There may be justification for the witness' request, and there may not be. If we undertake to argue it here at this time we would only delay the proceedings.

So as early as it is possible to do so, possibly just before noon, or just before we convene this afternoon, the Chair will call the committee together and we will get briefed on this point and whatever is done will be committee action by a majority of the committee.

All right, let us proceed.

Mr. KENNEDY. You had some discussion at that time about the pin-balls and what was going to be your job in this whole thing, Mr. Elkins?

Mr. ELKINS. I was to be the front man.

Mr. KENNEDY. As far as picking up the payments at the various places, was that your job?

Mr. ELKINS. Yes.

Mr. KENNEDY. And then you were to make an accounting to McLaughlin and Tom Maloney?

Mr. ELKINS. That is correct.

Mr. KENNEDY. That includes places that were to be opened in the Chinese part of the town?

Mr. ELKINS. All over the entire town, yes, and the Chinese part, too.

Mr. KENNEDY. Did they say to you the next day that they wanted a list of everything that was running in town?

Mr. ELKINS. That is correct, but I couldn't give them a list; because I wasn't picking the money up from the places, and what money I was giving them I was giving them out of my pocket. And now I have answered the question about giving them the money, and so there shouldn't be any more difficulty.

The CHAIRMAN. The witness has now answered that he had given them the money.

Mr. ELKINS. Yes, but it was my own money, and I didn't pick any money up from anybody and give it to them, and I gave them my own money.

The CHAIRMAN. The witness has testified to it and so we will proceed with further interrogation on that point. The question a while ago was whether you gave the \$2,000 that they asked for.

Mr. ELKINS. I did not give them the \$2,000.

The CHAIRMAN. That was to Langley.

Mr. ELKINS. I didn't give him the \$2,000.

Mr. KENNEDY. Before the witness testifies, could I just talk to the chairman about this matter?

The CHAIRMAN. All right.

(Present at this time are Senators McClellan, Ives, Kennedy, McNamara, Mundt, and McCarthy.)

(A short recess was taken.)

The CHAIRMAN. The committee will come to order.

After a brief conference which you have all observed, the committee will not at this time compel the witness to answer specifically with respect to some payments that he has made. There are a number of other factors that will be considered by the committee in executive session after it has heard the story, the whole story, at which time the committee will determine how to proceed further with respect to this particular transaction. There are involved, as you have already observed, many indictments of people who are involved in this hearing. Others may be obtained and rightfully so, from information we have.

This witness has fully cooperated so far with the committee, and I can say that for him. He has assured us that he wants to cooperate to the very limit, and he does not want to take the fifth amendment in any instance. I believe that is correct, Mr. Elkins?

Mr. ELKINS. That is correct.

The CHAIRMAN. But out of certain considerations which the committee will weigh without predetermining now what is right and best under the circumstances we will resolve this in an executive session.

In the meantime, the witness has further testimony to give, and we will proceed with that at the present.

Mr. KENNEDY. Now, they wanted you to go around and make your collections from these various places, is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. And you were then to give an accounting to Joe McLaughlin and Tom Maloney?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Of how much you were collecting?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did they say that they could get the mayor of the town to open up and allow more places to operate?

Mr. ELKINS. They felt that between Crosby and John Sweeney, they could, yes.

Mr. KENNEDY. And did they want a list from you as to the places that were operating and which you were interested in so that they could make sure the district attorney did not close those places?

Mr. ELKINS. That is correct. They wanted a list of what places they thought I was picking up money from, for protection.

Mr. KENNEDY. Were there discussions about the prostitutes and operating houses of prostitution?

Mr. ELKINS. There was, yes.

Mr. KENNEDY. Was there any specifically suggested?

Mr. ELKINS. Tom Maloney told me that he had Ann Thompson coming in by air, and he would like to have me meet her at the airport.

Mr. KENNEDY. So did you meet her?

Mr. ELKINS. I did.

Mr. KENNEDY. What conversation took place?

Mr. ELKINS. I didn't know her, but she recognized me by the description she had been given. I put her in the car and we drove up a quarter of a mile from the airport. She got right down to business. I listened, and I told her I didn't think that I could do her any good, and I believe the answer she gave me was she didn't at all care because she would only get such a small percentage of it that she didn't care whether she operated or not, but she didn't want to be blamed for it.

The CHAIRMAN. She would get such a small percent? Did she indicate who would get the other percent?

Mr. ELKINS. She said Tom Maloney, and other people, and she did not name who the other people were. I believe that I asked her, but if she ever told me I don't recollect the name.

The CHAIRMAN. Was she in a similar operation somewhere else?

Mr. ELKINS. I had been told that, yes. Not right at that time, I don't think she was.

The CHAIRMAN. But she had previously been?

Mr. ELKINS. I believe she had told me that she had previously.

The CHAIRMAN. And operated under some arrangement with these people who were trying to bring her down there?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you see Ann Thompson the second time?

Mr. ELKINS. Yes, she called me.

Mr. KENNEDY. How much later was this?

Mr. ELKINS. Several weeks later. I don't exactly remember exactly how long. She called me from the New Heathman Hotel, and asked me would I drop up and talk to her, and I did.

Mr. KENNEDY. And what was discussed at that time?

Mr. ELKINS. The minute I walked in the room she said "Just take it easy. I am not trying to get you to change your mind. I don't want to operate. But I want you to tell Maloney and his people that I was here and talked to you, but we couldn't get together," I believe is what she said, as near as I can remember. That might not be word for word, but that was the gist of it. She again repeated that she couldn't operate 1 or 2 or 3 places on the small percentage she would get. If she had a whole hatful of places, she probably could make a dollar.

Mr. KENNEDY. So she wasn't very interested in it?

Mr. ELKINS. She was not. She said flatfooted she was not interested.

Mr. KENNEDY. You were not interested in setting her up in Portland?

Mr. ELKINS. I definitely was not. That is the only two times I ever seen Ann Thompson.

Mr. KENNEDY. You have not seen her since that time?

Mr. ELKINS. No, I have not.

Mr. KENNEDY. You have not talked to her?

Mr. ELKINS. No, I have not. I am not sure whether she is in Seattle or Tacoma. She told me she had, I believe, an apartment house in one of the two places.

The CHAIRMAN. At this time, the witness now testifying will stand aside. He will be recalled later.

I believe we will call the witness Ann Thompson.

Senator McCARTHY. Mr. Chairman, before the witness stands aside, I do have many questions to ask this witness.

Mr. KENNEDY. He is coming back.

Senator McCARTHY. Will he be available?

The CHAIRMAN. He is only standing aside momentarily. I thought we would fill in with the other at this point. The witness will just stand aside.

(Present at this point: The Chairman, Senators Kennedy, McNamara, McCarthy, Mundt, and Goldwater.)

Mr. KENNEDY. The witness does not want her picture taken.

The CHAIRMAN. Just a moment.

Photographers? Let me have your attention.

Have a seat. You may be sworn first.

Will you stand and be sworn?

The photographers will not take any pictures until the Chair gives you permission to do so.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Miss THOMPSON. I do.

TESTIMONY OF ANN THOMPSON

The CHAIRMAN. State your name.

Miss THOMPSON. Ann Thompson.

The CHAIRMAN. Where do you live?

Miss THOMPSON. Seattle.

The CHAIRMAN. Where do you live?

Miss THOMPSON. Seattle.

The CHAIRMAN. You are appearing here under subpoena, are you?

Miss THOMPSON. Yes, sir.

The CHAIRMAN. Have you conferred with members of the staff regarding the testimony that you will be inquired of?

Miss THOMPSON. Yes.

The CHAIRMAN. You understand that you have the right to have counsel present if you desire when you testify?

Miss THOMPSON. I do.

The CHAIRMAN. Have you elected to waive counsel?

Miss THOMPSON. Yes.

The CHAIRMAN. There is a rule of the committee that when a witness is testifying, if they request it, the committee may grant to them the right to testify without interruption or pictures being taken while they testify. Since you do not have an attorney, and since the Chair has been advised that you requested that no pictures be taken while you testify—is that correct?

Miss THOMPSON. Yes.

The CHAIRMAN. The Chair submits it to the committee. The Chair had that request of another witness yesterday who was not cooperative, but who took the fifth amendment.

Without objection, that right will be granted to this witness.

Senator McCARTHY. Mr. Chairman, much as I hate to impose on the young men taking pictures, I believe they should be ordered not to use the pictures that have been taken, and also that the television film that has been taken not be used. Otherwise, it is rather meaningless to order no further pictures taken.

Miss THOMPSON. Thank you.

Senator McCARTHY. I understand this has been a cooperative witness, and I think she should be given that consideration.

The CHAIRMAN. The Chair will instruct those that took pictures, particularly while the Chair was trying to get their attention, not to use those pictures.

When the witness is off the stand, the committee has no control over her or over you in that respect. While she is testifying, from the time she comes to the stand to testify, she is under the jurisdiction of this committee, and its rules of procedure will be observed. I trust that is understood. I think the committee, this one and others on which I serve, has always been courteous and accommodating to the press, to the photographers, to all who have a right to be at the hearing.

The Chair will indulge a good many things, but when he makes an order he expects that order to be obeyed.

Mr. Counsel, you may proceed.

Mr. KENNEDY. Miss Thompson, you have met Mr. Tom Maloney, have you not?

Miss THOMPSON. Yes.

Mr. KENNEDY. Could you speak up a little bit?

Miss THOMPSON. Yes.

Mr. KENNEDY. Could you tell us the circumstances under which you met Tom Maloney?

Miss THOMPSON. Well, I knew him slightly. I never knew him real well.

Mr. KENNEDY. You do not remember the circumstances under which you met him?

Miss THOMPSON. Well, yes, I think I can explain that. Do you mean when he asked me to go to Portland?

Mr. KENNEDY. Why don't you explain that, yes.

You had known him prior to that time?

Miss THOMPSON. Well, I had known him in a casual way, but not too well, no.

Mr. KENNEDY. What did he say to you about coming to Portland? Will you tell us about that?

Miss THOMPSON. He called me on the phone, and he asked me if I would come down to the hotel to see him. He wanted to talk to me.

Mr. KENNEDY. This was up in Seattle?

Miss THOMPSON. Yes, that was in Seattle. And when I arrived there, he said "Jimmy Elkins asked me to tell you to phone him, that he had something interesting for you."

That is about all that we talked about, and not too much of anything that I can remember.

Mr. KENNEDY. Why was it that you went into Seattle to see him at the hotel?

Miss THOMPSON. I lived in Seattle at the time.

Mr. KENNEDY. What kind of a proposition did he——

Miss THOMPSON. He asked me to call Jimmy, that Jimmy Elkins wanted to talk to me. Well, I phoned, after that I phoned Jimmy Elkins, and he asked me to come to Portland.

Senator MUNDT. Did you know Jimmy Elkins before that?

Miss THOMPSON. I knew of him. I never knew him personally, no.

Senator MUNDT. What do you mean you knew of him?

Miss THOMPSON. Well, it is kind of hard to explain. Just like you know someone by reputation, you know. I knew he had been in Portland for a lot of years, and he knew everything that was going on, or supposedly he did. I don't know too much about it.

Senator MUNDT. You knew the kind of business he was in?

Miss THOMPSON. Yes.

Mr. KENNEDY. Did you know him as a man that ran houses of ill fame?

Miss THOMPSON. I wouldn't say that, no.

Mr. KENNEDY. Had you ever known him to run any such houses?

Miss THOMPSON. No, I never did.

Mr. KENNEDY. You never knew that he was in that kind of business?

Miss THOMPSON. I knew that he was a man about town, that he could help, you know, anyone in my business.

Mr. KENNEDY. But you never knew that he was associated with it?

Miss THOMPSON. No, I really wouldn't say that.

Mr. KENNEDY. So after this conversation with Tom Maloney in which he just said that Jimmy Elkins wants to talk to you, then, knowing Jimmy Elkins was a man about town, you went down to Portland, did you?

Miss THOMPSON. No. I phoned Jimmy in Portland. He gave me his phone number. Jimmy said "Come on down. I want to talk to you."

Mr. KENNEDY. Did you go on down?

Miss THOMPSON. I did. I took the plane and went down to Portland.

Senator McCARTHY. Let us see if I have this picture of Elkins correctly in mind. He was the underworld king, but he did draw the line at taking any part in running houses of ill fame, is that roughly correct?

Miss THOMPSON. Well, at the time I didn't know, until I went to Portland, until I met him.

Senator McCARTHY. He can be correctly described as the head of the underground syndicate, but as far as you know he did draw the line at taking any part in houses of ill fame?

Miss THOMPSON. He drew the line in this way: I went to Portland and I met him. I told him what I was after, and he said "Well, I don't know. I will try. I will help you if possible, but," he says, "I don't know." There wasn't much said. I was only there a short time. He says, "Well, you call me, or I will call you," something like that, "in a week or so." So I didn't hear from him any more.

So I phoned him back. He says, "Well, I can't talk on the phone. Come on over." So I went back to Portland again and I met him at the New Heathman Hotel, I believe. I registered in there and I phoned him. He came up. Then he says "Well, there is not much we can do," he said.

But, anyway, he just discouraged me and talked me out of it, and I was already talked out of it to start with.

The CHAIRMAN. Why?

Senator McCARTHY. There is one more question. Mr. Chairman, if I may.

Perhaps my original supposition was somewhat in error. He did show some interest in this project, but dropped it after a couple of weeks, and made no arrangements with you on it; is that right?

Miss THOMPSON. That is right; he did. First he sounded a little encouraging, and when I saw him the second time he was just altogether different.

Senator McCARTHY. As far as you know, Elkins has had nothing to do with the houses of this sort?

Miss THOMPSON. As far as I know, no.

Senator McCARTHY. Thank you, Mr. Chairman.

The CHAIRMAN. May I ask this: You said you had already been talked out of it.

Miss THOMPSON. I had.

Were you finished?

Will you repeat it, please?

The CHAIRMAN. Yes. A moment ago you said when you had the second visit with him, when he came to the hotel, he began to discourage you, and you said you did not care because you had already been talked out of it.

Miss THOMPSON. No; that isn't the way I meant. No one talked me out of it. I just wasn't enthused about it.

The CHAIRMAN. He has testified that you were not enthused about it, and that you made a statement at the time, either at that time or

some other, both times, maybe, that you were not interested in it because you would not make enough out of it, that your cut in the business would not give you much profit.

Did you make some similar statement?

Miss THOMPSON. That is not so. That is not so. That was never said.

The CHAIRMAN. You did not make that statement?

Miss THOMPSON. No, sir.

The CHAIRMAN. He said, as I remember, Mr. Maloney and—what is the other name?—Joe McLaughlin, I believe, were to have some interest in your operation.

Miss THOMPSON. That is not so.

The CHAIRMAN. Why would Mr. Maloney make the arrangements if he was not to have an interest?

Miss THOMPSON. Mr. Maloney told me that Jimmy Elkins asked him for me to phone. That is the way the whole thing came up. I wasn't thinking about it until this, and I thought "Well, I will go ahead."

The CHAIRMAN. You do not know what conversations had taken place between Maloney and Elkins prior to Maloney telling you to phone him?

Miss THOMPSON. No.

The CHAIRMAN. Proceed

Senator MUNDT. Following up on that, Mr. Chairman, this is leaving me completely confused now.

In the first place, you said you had been talked out of it and then you said no, you talked yourself out of it.

Miss THOMPSON. No; no one talked me out of it.

Senator MUNDT. You said you were not interested?

Miss THOMPSON. That is right.

Senator MUNDT. You did not pick up an airplane ticket and fly down to Portland to tell him you were not interested. When did you lose interest?

Miss THOMPSON. I lost interest after I talked to Mr. Elkins the first time.

Senator MUNDT. What happened in that conversation to cause you to lose interest?

Miss THOMPSON. I don't know. I wasn't in the business at the time, and I did want to get back in it, but I just thought, "Oh, to heck with it; let it go."

Senator MUNDT. You had purchased a ticket at your own expense; had you not?

Miss THOMPSON. Correct.

Senator MUNDT. So you certainly were interested when you left the airport at Seattle?

Miss THOMPSON. Yes; I was.

Senator MUNDT. What happened after you arrived at the airport at Portland which caused you to say "Oh, heck?"

Miss THOMPSON. After I talked to Jimmy, it just didn't sound so—

Senator MUNDT. I am trying to find out what transpired in your conversation with Jimmy that caused you to lose your ardor for the elm?

Miss THOMPSON. Well, it was a strange town to me. I had never been there before, and he didn't seem so encouraging; so I left.

Senator MUNDT. Maybe this would be it: You talked with Jimmy about the law-enforcement situation and the possibility of protection and what chance you might be hazarding if you went into the business there?

Miss THOMPSON. No; we didn't go into that. But it seemed like I was going to have to have a lot of money to open up, and I didn't have it. That is the main thing that discouraged me, as far as I was concerned.

Senator MUNDT. Did Jimmy know something about the amount of capital investment required in that type of enterprise?

Miss THOMPSON. No. The amount came up. He said he would look around. I think he mentioned a hotel which ran up into several, quite a few, thousand dollars, and I didn't have that much money.

Senator KENNEDY. You have stated that you came down, and Mr. Maloney said Mr. Elkins wanted to see you?

Miss THOMPSON. Yes, sir.

Senator KENNEDY. Did it seem odd to you that if Mr. Elkins wanted you to come down and asked Mr. Maloney to make the appointment, in his first conversation with you he discouraged you?

Miss THOMPSON. Mr. Maloney said that Mr. Elkins did not want to contact me personally, for reasons of his own. I don't know.

Senator KENNEDY. Does it seem strange to you that if Mr. Maloney fixed an appointment up with Mr. Elkins, on the assumption that Mr. Elkins wanted you to come down, that when you had your first conversation with him he discouraged you?

Miss THOMPSON. I will tell you. At the time I guess I was too much of an eager beaver. I shouldn't have bothered. I thought, "Well, what have I got to lose?" It was a short trip, and so I went on.

Senator KENNEDY. There was no conversation, when Mr. Maloney talked to you, that you would understand that Mr. Maloney would have any interest in this?

Miss THOMPSON. I did not.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. I wonder who initiated this proposition, if you can call it that? How did it come about? Whose idea was it? Where did it start?

Does the staff know or should we ask the witness?

Mr. KENNEDY. I am sorry, Senator.

Senator McNAMARA. Who initiated this, according to the information you have?

Mr. KENNEDY. Not only according to the information we have, but according to her own testimony, Tom Maloney did. Tom Maloney contacted Miss Ann Thompson.

Is that correct?

Miss THOMPSON. He told me Jimmy Elkins asked him to phone me.

Mr. KENNEDY. So you went down and did the favor. You bought a ticket. This is Tom Maloney who you did not know very well?

Miss THOMPSON. I knew of him; yes.

Mr. KENNEDY. He went to the trouble to get in touch with you, have you come into the hotel and have a meeting with you, Tom Maloney?

Miss THOMPSON. I didn't see Tom Maloney in Portland at any time.

Mr. KENNEDY. Did you have a meeting with him in Seattle?

Miss THOMPSON. That one time, that is all.

Mr. KENNEDY. You had a meeting with him in a hotel room in Seattle?

Miss THOMPSON. I went down to the hotel.

Mr. KENNEDY. He wanted to tell you that Jimmy was interested?

Miss THOMPSON. Yes.

Mr. KENNEDY. So you went to Portland and found Jimmy was not interested?

Miss THOMPSON. Yes.

Mr. KENNEDY. So you came back and went to Portland again and still found Jimmy not interested?

Miss THOMPSON. Yes.

Mr. KENNEDY. Did you have any conversations with Tom Maloney?

Miss THOMPSON. No.

Mr. KENNEDY. You happened to go down the second time again?

Miss THOMPSON. Yes; on my own. I called Jimmy on the phone and he said "Come on down, I don't want to talk on the phone."

Mr. KENNEDY. Why would Jimmy want you to come down if he was not interested?

Miss THOMPSON. Would you please ask Jimmy?

Mr. KENNEDY. Why would he say for you to come down if he was not interested?

Miss THOMPSON. That I don't know.

Mr. KENNEDY. Would he not give you some reason? He keeps saying to come on down and he is not interested?

Miss THOMPSON. I called him.

Mr. KENNEDY. So you came down and he still was not interested?

Miss THOMPSON. That is right.

Mr. KENNEDY. The first time you were sent down because Tom Maloney thought you should talk to Jim Elkins, right?

Miss THOMPSON. I got the impression that Jimmy asked him to tell me to come down there.

Mr. KENNEDY. Then when you got down there, Jimmy was not interested?

Miss THOMPSON. He wasn't so discouraging. He said he would look around and see what he could do.

Mr. KENNEDY. Did he set it up?

Miss THOMPSON. No.

Mr. KENNEDY. You had a pretty good reputation in the State of Washington for running these homes.

Miss THOMPSON. Thank you.

Mr. KENNEDY. So if he got you all the way down there and somebody as good as you and brought you down there, he must have figured he was going to go someplace with it. Then he brings you down there and then he is not interested. Do you not think that is a funny way to handle it?

Miss THOMPSON. I am perfectly willing to tell you the truth about everything. At that first meeting, Jimmy wasn't too discouraging.

Mr. KENNEDY. Did he call you again and say, "I have a place, come down again"?

Miss THOMPSON. No.

Mr. KENNEDY. What happened?

Miss THOMPSON. He said "I will phone you in a week or so."

Mr. KENNEDY. He called you in a week?

Miss THOMPSON. No; I called him.

Mr. KENNEDY. You called him?

Miss THOMPSON. Both times, the first and the last time.

Mr. KENNEDY. You called him?

Miss THOMPSON. Yes, sir.

Mr. KENNEDY. Tom Maloney—I get this—Tom Maloney said "Jimmy Elkins is interested," and then you called Jimmy Elkins up?

Miss THOMPSON. Yes.

Mr. KENNEDY. Jimmy Elkins didn't call you. You called Jimmy Elkins up after hearing from Tom Maloney, and then you took a trip at your own expense down to Portland?

Miss THOMPSON. Yes.

Mr. KENNEDY. And then you talked with Jimmy, and Jimmy acted slightly interested, and said, "I will call you soon."

Miss THOMPSON. Right.

Mr. KENNEDY. Did he call you then?

Miss THOMPSON. No.

Mr. KENNEDY. You called him again?

Miss THOMPSON. Yes.

Mr. KENNEDY. Then you went back to Portland?

Miss THOMPSON. That is when he said——

Mr. KENNEDY. Let us find out. Did you go back to Portland again?

Miss THOMPSON. Yes.

Mr. KENNEDY. What did you do then? Did Jimmy say, "I have 3 or 4 places for you"?

Miss THOMPSON. No.

Mr. KENNEDY. Did he discourage you some more?

Miss THOMPSON. Real good that time. I registered at the hotel and I phoned him.

Mr. KENNEDY. You phoned him a third time?

Miss THOMPSON. The second time. I only talked to him twice.

Mr. KENNEDY. I thought you talked to him the first time after talking to Tom Maloney and the second time after coming down there.

Miss THOMPSON. You are confusing me. The first time after I talked to Mr. Maloney, he told me that Jimmy wanted me to phone him. I did. That was the first time.

The CHAIRMAN. That was long distance?

Miss THOMPSON. Yes.

Senator McCARTHY. Could I interrupt?

Senator McNAMARA. May I pursue this question, Mr. Chairman, a little further?

The CHAIRMAN. Senator McNamara had the floor.

Senator McNAMARA. There was some indication on the part of our chief counsel that there was some previous testimony by this witness. Was that sworn testimony?

Mr. KENNEDY. I didn't mean to say that. I meant to say that she said, herself, that the first contact that she had about the operation in Portland was from Tom Maloney.

Miss THOMPSON. No.

Mr. KENNEDY. Should I go through it again, Senator?

The CHAIRMAN. I think I can straighten it out. Just a moment.

The first time this ever came to your attention or to your interest was when Tom Maloney phoned you to come down to the hotel to see him?

Miss THOMPSON. Right.

The CHAIRMAN. At that time, he told you that Elkins was interested in this matter and asked you to call him?

Miss THOMPSON. Right.

The CHAIRMAN. You did call him?

Miss THOMPSON. Yes.

The CHAIRMAN. After calling him, you, at your own expense, went down to Portland to see him?

Miss THOMPSON. Right.

The CHAIRMAN. At that time you talked about it, and he said he would look around and see what could be done, and would call you back?

Miss THOMPSON. Right.

The CHAIRMAN. He did not call you, as he suggested he would?

Miss THOMPSON. No.

The CHAIRMAN. In due time, however, you called him?

Miss THOMPSON. Yes.

The CHAIRMAN. Did you call him at that time before you went to Portland or after you arrived in Portland?

Miss THOMPSON. That is something I don't remember. I must have phoned him before I went to Portland. If not, I—yes, I know I did.

The CHAIRMAN. You called him before you went to Portland?

Miss THOMPSON. Yes, and I told him I was coming.

The CHAIRMAN. He told you he did not want to talk about it over the telephone?

Miss THOMPSON. Yes.

The CHAIRMAN. Therefore, you went to Portland?

Miss THOMPSON. Yes.

The CHAIRMAN. You went to a hotel?

Miss THOMPSON. Yes.

The CHAIRMAN. And you called him from the hotel?

Miss THOMPSON. Yes.

The CHAIRMAN. And he came to see you?

Miss THOMPSON. Yes.

The CHAIRMAN. That is the way it all came about?

Miss THOMPSON. That is right.

The CHAIRMAN. The first time he told you he would look around?

Miss THOMPSON. Yes.

The CHAIRMAN. The second time what did he tell you?

Miss THOMPSON. He said "Oh, I don't think—it is going to cost a lot of money." He said, "I don't think I can find anything or do anything for you," so I said "Fine."

The CHAIRMAN. In other words, he was very discouraging?

Miss THOMPSON. Yes.

The CHAIRMAN. But by that time you said you had concluded yourself that you were not very much interested?

Miss THOMPSON. That is right.

The CHAIRMAN. Is that the true picture?

Miss THOMPSON. That is the truth.

Senator McNAMARA. Why is this witness here, then, under those circumstances?

The CHAIRMAN. Why is this witness here? To show the connection of certain interests trying to get her down there. All efforts do not succeed.

Senator McCarthy?

Senator McCARTHY. I would like to ask a few questions. I hesitate because I do not want to ruin—Mr. Kennedy, if I may have your attention—I do not want to ruin the sequence of Mr. Kennedy's interrogation.

If you find I am doing so, I will be glad to desist. I would like to get down to what I consider the meat of this case, just in a few questions. As I say, if you are intending to get to this later, I will desist.

Let me ask you this: The district attorney at that time in Portland was Langley, right?

Miss THOMPSON. I wouldn't know. I don't know a thing about Portland.

Senator McCARTHY. Did you hear the figure of 11,000 mentioned?

Miss THOMPSON. How much?

Senator McCARTHY. 11,000 girls that could be used under you?

Miss THOMPSON. No. No. Never.

Senator McCARTHY. Did you hear the figure \$3 to be paid by each one, either per day, or week, or month?

Miss THOMPSON. There was nothing said about that.

Senator McCARTHY. How much were you to pay and what were you to get in return?

Miss THOMPSON. There wasn't a thing said about it.

Senator McCARTHY. In other words, you did not talk about any payoff you would make at all?

Miss THOMPSON. No.

Senator McCARTHY. This man Tom Maloney, what was he going to do for you?

Miss THOMPSON. As far as I know, nothing.

Senator McCARTHY. See if I am right on this: Was it not true that Maloney, apparently without authority, promised that if you would kick in a certain amount per girl, that you would be allowed to operate free and clear; otherwise, that you would get no laundry, no liquid refreshments, no food, nothing else? Was that not the deal?

Miss THOMPSON. Senator, you are way ahead. There was not a thing like that said between Maloney and I.

Senator McCARTHY. There must have been something said. You traveled from Seattle to Portland to make some kind of a deal.

Miss THOMPSON. Certainly.

Senator McCARTHY. I want to know what the deal was.

Miss THOMPSON. I was to get the deal, whatever was going to happen, through Mr. Elkins, not from Mr. Maloney.

Senator McCARTHY. What was Mr. Elkins to have given you?

Miss THOMPSON. Well, I don't know now. He has given me nothing.

Senator McCARTHY. Well, you talked to him in a hotel room. How long did you talk to him?

Miss THOMPSON. In the hotel room?

Senator McCARTHY. Yes.

Miss THOMPSON. I doubt whether we were there an hour at the most.

Senator McCARTHY. In an hour's time, did you not discuss what, if anything, Elkins was to get out of this deal?

Miss THOMPSON. No.

Senator McCARTHY. You never mentioned that?

Miss THOMPSON. Never.

Senator McCARTHY. Miss Thompson, let me say to you you appeared in executive session——

Mr. KENNEDY. No, Senator.

Senator McCARTHY. Is not this the girl who appeared?

The CHAIRMAN. No; it was another.

Senator McCARTHY. I beg your pardon.

Again, just as one final question, you had a conversation for about an hour, and as far as you know Maloney was not a member of the teamsters' union, is that right?

Miss THOMPSON. I didn't know. I had no idea what he was or who or what. I just knew him many years back as—well, I just knew him. That is all.

Senator McCARTHY. Did anyone that claimed to be a member of the teamsters' union promise you anything?

Miss THOMPSON. No, sir.

Senator McCARTHY. You are certainly shedding a lot of light on this.

In other words, you had an hour's conversation with Elkins. You recognized that he was head of the underworld syndicate at that time, is that right?

Miss THOMPSON. Yes. It was mostly hearsay. As I said before, I had never been in Portland. I didn't know Portland.

Senator McCARTHY. You say you did not discuss with him what he was to give you, or you would give him?

Miss THOMPSON. First he was supposed to find a place, a hotel or something, and then from then on we were to discuss what the deal was. But that never came up.

Senator McCARTHY. Elkins does not run a charitable organization.

Miss THOMPSON. That is right.

Senator McCARTHY. What was he to be paid?

Miss THOMPSON. That did not come out.

Senator McCARTHY. You never even mentioned that he would get any take?

Miss THOMPSON. No. I wasn't in business yet, so you don't talk.

Senator McCARTHY. When you talked about going into business, did you discuss what he or Maloney or anyone else might be paid?

Miss THOMPSON. No, sir.

Senator McCARTHY. You never mentioned that?

Miss THOMPSON. If I got in business, that probably would have come up.

(At this point, Senator McNamara withdrew from the hearing room.)

Senator McCARTHY. Would you tell us what the conversation was for that hour? I am curious to hear about that.

Miss THOMPSON. Well, it is going to be kind of rough, me trying to tell you what we talked about.

Senator McCARTHY. It may be rough, but we are here to hear it.

Miss THOMPSON. I am willing to tell you if I can remember. It didn't amount to anything. In fact, he didn't tell me anything. He was trying to tell me to go to some other town, not to land in Portland.

Senator McCARTHY. In other words, Elkins told you you should not come to Portland?

Miss THOMPSON. No.

Senator McCARTHY. Pardon?

Miss THOMPSON. Yes, he did. Not in so many words, but I guess that is what he meant.

Senator McCARTHY. I think you were asked this question before: What made you come back to see Elkins the second time?

Miss THOMPSON. Well, as I said before, the first time he sounded a little encouraging. So I thought, "Well, I will go back and try it again, and see." So the second time it was just no use.

Senator McCARTHY. Mr. Kennedy, could I ask you this question: I know from the previous conversation there is supposed to be a tieup between some hoodlums who claim to be, and I emphasize the words "claim to be," connected with the teamsters union and this alleged deal. We know the district attorney was indicted. I wondered if you could, just for the sake of the record, and for the press here, who are curious to give the country a picture of this, I assume, tell us just what, if any, connection there was between anyone that claimed to be a member of the teamsters union?

I am not trying to cross-examine you.

Mr. KENNEDY. No, that is all right, Senator. The situation that we are investigating is the question of two men, Joe McLaughlin and Tom Maloney, coming down into Portland and working with the teamsters union, allegedly in order to operate organized vice. They were working together with Mr. James Elkins. Mr. James Elkins has been a witness here.

They were to come down and organize bootlegging, afterhours joints, pinball machines, gambling of various sorts and punchboards. We will have testimony on that.

One of the matters also that they were interested in, according to Mr. Elkins, was in prostitution, in opening up houses of prostitution in the city of Portland. He said that he had never had anything to do with them in the past.

One of the first contacts that was made was shortly after Langley was elected, and it was up in Seattle at a meeting between Langley, Tom Maloney, and Jim Elkins. At that time, according to Mr. Elkins' sworn testimony, it was suggested that they operate 2, 3, or 4 houses of prostitution, and that perhaps Ann Thompson could run them in the city of Portland, that she could be in charge of the whole operation. He said he didn't want anything to do with that.

He went back to Portland. They kept discussing this matter, and finally he said that Tom Maloney made a contact with Ann Thompson and suggested that he see her. He went to the airport and met her. He said he discouraged her at that time, and that they drove around in the car. In fact, he would not even bring her into the city. He told her to take the return plane home, which, according to Miss Thompson, she did. They took a short ride around and she went back.

He said in the sworn testimony that he heard again from her several weeks later, and saw her at the New Heathman Hotel, and that during

this period of time, Tom Maloney and the other people kept saying "Let's open up houses of prostitution," and that he went over to the New Heathman Hotel and had another conversation with Ann Thompson and again reached the conclusion that there was no purpose of opening up houses of prostitution in the city of Portland. She again went back to Seattle.

This, in my estimation, was an overt act and it is corroborated by Ann Thompson's testimony that the initial contact was made by Tom Maloney. We will have further testimony showing the tieup of Tom Maloney and various teamster officials and Tom Maloney's tieup with teamster union officials, and his own tieup with the teamster union.

Senator McCARTHY. In other words, Mr. Kennedy, and see if I am right in this, in answer to Senator McNamara's question, the reason that this woman is here is because there is evidence, information, received by the staff to the effect that some individuals who claim to be connected with the teamsters union tried to get her to open houses in Portland, and that there was to be a take by those officials of so much a day or week from each girl employed?

Mr. KENNEDY. Senator, as far as Mr. Elkins' testimony is concerned, he has not testified to that. There were to be opened 2 to 4 houses of prostitution in the city of Portland, they were supposed to split the take, and Ann Thompson, for one, was to be the one that would run them. As far as the take from each girl, I have no information. The only information I have is what has been testified to here.

The fact that Mr. Maloney's tieup with the testimony will be developed if he goes on.

Senator McCARTHY. May I ask this, Mr. Kennedy, to get this picture in mind: I must plead that I was maybe a bit negligent in not being here yesterday, but I was testifying before another committee. I may have missed some of this.

The reason she is here is because of an alleged direct tieup with hoodlums who claim to represent the teamsters union?

Mr. KENNEDY. Senator McCarthy, the reason she is here is that there was a plan, at least an initial plan, to operate houses of prostitution in the city of Portland. Ann Thompson made a trip down there for that purpose. That has been developed, and we expect to go into gambling, to go into pinball machines, the punchboards, and various other operations. This is one operation which is included in the category of vice, and I think it is a very important aspect of the case to go into. She establishes and confirms that the initial contact made with her was by Mr. Tom Maloney. She said that she does not know what Tom Maloney said in the hotel room that got her to get in touch with Jim Elkins and to go down there a second time.

That is up to the committee to decide, whether there was not any further contact with her that brought her down to Portland and then brought her down a second time to Portland to meet Jimmy Elkins when he had not even taken her into the city the first time. This was all on her part from somebody that she said she met only casually 2 or 3 years ago, namely Tom Maloney.

She does confirm, which I think is very important, that the initial contact was made by Tom Maloney and that she made the trips down to Portland.

Senator MUNDT. Mr. Chairman, I think what the counsel has said is very illuminating and certainly does corroborate the testimony of Mr. Elkins.

Miss THOMPSON. I would like to ask you this: When I was first interrogating you, you told me you lost interest in the Portland situation after your first conversation with Mr. Elkins. It was a strange town, you did not know what the law-enforcement situation was, and you lost interest. He did not talk you out of it but you talked yourself out of it. Is that correct?

Miss THOMPSON. That is correct.

May I tell you something that just crossed my mind?

Senator MUNDT. Yes.

Miss THOMPSON. He did say this, which I should have answered before——

Senator MUNDT. This is on the first contact?

Miss THOMPSON. The first time. That if I operated in Portland, I would have to give up half of everything I made.

The CHAIRMAN. Who told her that?

Senator MUNDT. She said Mr. Elkins told her that in Portland, the first time.

Miss THOMPSON. And besides that, to buy the places and put out all the money. That didn't sound so good. That was one thing I should have said before and I didn't.

Senator MUNDT. That was why you lost interest?

Miss THOMPSON. Yes.

Senator MUNDT. You went back to Portland?

Miss THOMPSON. Yes.

Senator MUNDT. Think very carefully about your answer to this question. Between the time that you arrived back in Portland and the time you reestablished contact with Mr. Elkins, did you again see Mr. Maloney?

Miss THOMPSON. I have never seen Mr. Maloney to this day, ever.

Senator MUNDT. Did you see Mr. McLaughlin?

Miss THOMPSON. I don't know him.

Senator MUNDT. Did you talk with anybody at all about your contacts with Mr. Elkins in Portland before you went back the second time?

Miss THOMPSON. I never did, until it came out now.

Senator MUNDT. What was the thing that revitalized your interest in the Portland situation to the extent you went down the second time?

Miss THOMPSON. Well, I kept thinking, "Well, maybe even with that I can make some money." I needed money. So I went back the second time. But no one told me to go back the second time, believe me.

Senator MUNDT. In other words, by that time you were really vitally interested in opening up in Portland to the extent that you made a second long-distance call and paid for a second round-trip ticket to Portland?

Miss THOMPSON. That is right.

Senator MUNDT. You were that much interested the second time?

Miss THOMPSON. Yes, I was, but then when I talked to Mr. Elkins, that just blew up. He discouraged me.

Senator MUNDT. The second time he completely discouraged you to the point where you abandoned ship?

Miss THOMPSON. That is right.

Senator MUNDT. Any further questions, Mr. Counsel?

Mr. KENNEDY. No.

Miss THOMPSON. I don't want any pictures.

Senator McCARTHY. Mr. Chairman, can I ask one question?

Can you give us some idea of what this 1 hour conversation consisted of?

Miss THOMPSON. Well, I truthfully can't. I wonder myself what I am here for. I don't know Mr. Maloney. I never had anything to do with him. I never have belonged to a syndicate of any kind. I just don't know.

Senator McCARTHY. You say you wondered yourself why you were there?

Miss THOMPSON. Why I am here.

Senator McCARTHY. You knew you were there for the purpose of making arrangements to open up houses, right?

Miss THOMPSON. Yes.

Senator McCARTHY. You knew that Mr. Elkins or someone was supposed to get half of the take; is that right?

Miss THOMPSON. Yes, that is right.

Senator McCARTHY. Were any arrangements made to rent or buy a house?

Miss THOMPSON. No.

Senator McCARTHY. You went back to Seattle?

Miss THOMPSON. Yes.

Senator McCARTHY. And then before you came back again, did Maloney advise you to come back? Did Elkins call you? What happened?

Miss THOMPSON. Senator McCarthy, no one called me. I just waited for a week or so and I decided I would call, myself. I didn't contact anyone. That is the truth, so help me.

Senator McCARTHY. I have nothing further, Mr. Chairman.

The CHAIRMAN. Let the Chair ask this question before you leave. You said, I believe, that it was the first trip you made to Portland when you talked to Mr. Elkins that he told you that you would have to give up half of your earnings?

Miss THOMPSON. Right.

The CHAIRMAN. Who was to get that half?

Miss THOMPSON. He didn't tell me.

The CHAIRMAN. Did he say?

Miss THOMPSON. He didn't say.

The CHAIRMAN. He didn't say he would get it?

Miss THOMPSON. No.

The CHAIRMAN. Or who would get it?

Miss THOMPSON. He didn't say.

The CHAIRMAN. He told you you would have to give up half of your earnings?

Miss THOMPSON. Right.

The CHAIRMAN. Do you know if he was talking that way to try to discourage you?

Miss THOMPSON. That I couldn't say.

The CHAIRMAN. You do know on the second trip that he did discourage you?

Miss THOMPSON. Yes, sir.

The CHAIRMAN. Very much?

Miss THOMPSON. Yes, sir.

Senator MUNDT. Do you know Helen Hardy?

Miss THOMPSON. I do not. I don't even know the name.

Senator MUNDT. You never heard of it?

Miss THOMPSON. No, sir.

Senator MUNDT. You never heard of it?

Miss THOMPSON. No, sir.

Senator MUNDT. Do you know Helen Smalley?

Miss THOMPSON. No, sir.

Senator MUNDT. Did you ever hear of the name?

Miss THOMPSON. No, sir.

The CHAIRMAN. Some members of the committee have raised some questions about the Chair's ruling awhile ago and thought it did not go far enough. I am inclined to agree with them.

When a witness comes to the committee under subpoena and testifies, once they make the request that no pictures be taken while they are testifying, as long as they remain in the committee room, they are under the jurisdiction of the committee. Therefore, the admonition to the photographers not to take a picture of the witness applies in this committee room.

Beyond this committee room, the Chair will undertake to exercise no jurisdiction.

Miss THOMPSON. Thank you.

Senator MUNDT. I do not want to raise an objection, but I do want to vote "no" because I have always held that television, photography, is a legitimate medium of information along with the press. I see no more reason to exclude the photographers than I would the press, so I shall vote "no" but raise no objection.

The CHAIRMAN. All right.

Senator McCARTHY. Mr. Chairman, may I say that I disagree with my colleague, Senator Mundt. I believe when someone is subpoenaed to appear here, if they do not want their picture to appear in the papers, as much as I respect the photographers and realize the job they have to do, I think that request should be honored. I believe that it should go beyond the committee room. Once a witness steps outside the door, I do not believe they should be subjected to pictures, because they are brought here by us. I, at some times, have very little respect for witnesses, but I do think that that right should be accorded to them. I hope the Chair disregards the advice of my good friend, Senator Mundt, and extends the ruling to include—I am not speaking of this witness alone, but of every witness who does not want his or her picture taken—the Senate Office Building. We force them to come into the building. They are here under subpoena. I believe they are entitled to that consideration.

As I say, that certainly has nothing to do with my personal feeling toward any witness.

Senator MUNDT. Mr. Chairman, may I say, before the Chair proceeds, that I have known the chairman a long time. I know he is a very modest man. I hope he does not let the counsel of my friend from Wisconsin give him illusions of grandeur that he can ban photographers all over the United States. I think there is a limit to the

jurisdiction of the Chair. I think that limit is certainly within the confines of the committee room.

While I vote no against barring photographers even here, I would be surprised if the Chair undertakes to say that photographers cannot operate in the United States any place on a witness.

Senator McCARTHY. I was not talking about the entire United States. I am speaking about a reluctant witness, who is subpoenaed, who is forced to come, who, for some personal reason, does not want his or her picture taken.

I believe, Mr. Chairman, that it is meaningless to say, "You cannot take a picture inside the room, but you can take pictures right outside the door." I would sincerely hope, Mr. Chairman, and I am not going to appeal from the ruling of the Chair, that as a general rule, where a witness says "I don't want my picture taken," that then the photographers, and they are ingenious young men, can wait outside the door of the Senate and take pictures. We cannot ban them from the entire United States.

The CHAIRMAN. The Chair will make this observation. We have a rule to govern the actions and procedures of this committee, which the Chair undertook to follow this morning when the question was raised, and also raised by witnesses yesterday. The Chair submitted it to the committee. I think I did the same thing this morning. I asked if there was any objection at the time to the Chair's ruling. There was none.

I have gone, I think, according to my judgment, to the limit of my authority as chairman of this committee and to the limit of the committee's authority with respect to these proceedings. I do not feel that I have the authority or the jurisdiction, or that this committee has, to extend its jurisdiction beyond the confines of this room but only to any obstruction or hindrances or disturbances within such close proximity as would interfere with our proceedings.

Therefore, the ruling of the Chair will——

Senator McCARTHY. Mr. Chairman, before you rule, may I say that forgetting about this case entirely for the time being, and I know the Chair is going to rule and I will not appeal from the ruling, I do hope that at a very early moment we once and for all settle this question of just what privileges a witness has, regardless of how we feel about the witness.

The CHAIRMAN. The Chair will be very glad to have the committee consider any amendment, modification, or change in its present rules.

The Chair is making this rule upon the authority and provision of existing rules. I might say the Chair has some misgivings by having gone this far. I realize, and I have always felt, that where the press was present, television should be present if it desires to be here. I have always taken that position.

But the rule of the committee now provides that if a witness objects, while they are testifying, to pictures, movies, or television, it is within the jurisdiction of the committee to grant the request. I realize, as was pointed out to me, that the question of just not taking the pictures while the witness is immediately in the process of giving their testimony could be substantially meaningless, if they were permitted to take the pictures as the witness came in and before they were sworn. I have misgivings about my ruling to that extent.

I make that ruling as of the present, temporarily, and the committee, of course, can overrule the Chair, or the committee can revise its rules. That will be the ruling of the Chair for the present.

The witness is excused for the present.

Before you leave, however, check with the chief counsel of the committee to ascertain if your further testimony will not be needed.

Miss THOMPSON. Thank you.

The CHAIRMAN. The committee will now take a recess until 2 o'clock this afternoon.

(Whereupon, at 12:05 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Members present at the taking of the recess: The chairman, Senators Ives, Kennedy, McCarthy, Mundt, and Goldwater.)

AFTERNOON SESSION

(The hearing was resumed at 3 p. m., Senator John R. McClellan (chairman) presiding.)

The CHAIRMAN. The committee will come to order.

(Present at the convening of the session were Senators McClellan, Ervin, McNamara, McCarthy, Mundt, and Goldwater.)

The CHAIRMAN. Mr. Elkins, will you resume the stand, please?

Mr. Kennedy, you may proceed.

TESTIMONY OF JAMES B. ELKINS—Resumed

Mr. KENNEDY. Mr. Elkins, early in January you were having meetings every day attempting to get this situation set up, is that right, or at least on the part of Mr. Maloney and Mr. McLaughlin? You met with them.

Mr. ELKINS. That is correct.

Mr. KENNEDY. Now, did you ultimately have a meeting with John Sweeney? Did he come down to Portland?

What was the purpose of that?

Mr. ELKINS. To tell me I wasn't on the ball enough, to get busy.

The CHAIRMAN. Telling you what?

Mr. ELKINS. That I wasn't getting things on the road, the show on the road, and that he wanted me to get busy.

Mr. KENNEDY. Did he mention anything about Frank Brewster at the time?

Mr. ELKINS. He said Frank Brewster had sent Joe McLaughlin down there to run the show and he wanted me to cooperate with Joe.

Mr. KENNEDY. Did he say he wanted to get some of these things moving?

Mr. ELKINS. Yes, and I don't recollect him saying what things. He just said he wanted to get the show on the road.

Mr. KENNEDY. How long did that conversation last between you and John Sweeney?

Mr. ELKINS. Not over 20 or 30 minutes.

Mr. KENNEDY. Did you start to take some action the next day?

Mr. ELKINS. Well, a little bit. I had my brother come up and take him around and look for a location, I believe.

Mr. KENNEDY. Location of a place to open up?

Mr. ELKINS. To start a horse book in.

The CHAIRMAN. The Chair is having a little difficulty in hearing you. Maybe if you can pull that up to you just a little closer, it will help.

Will you proceed?

Mr. KENNEDY. There was a discussion about setting up a horse book?

Mr. ELKINS. Yes, and I believe at about that time was when I brought a man up to talk to him about a pinball route.

Mr. KENNEDY. First, what was said about the horse book? Did you mention that there might be some problems on horse book?

Mr. ELKINS. Yes, I asked him where they were going to get the service and they said they didn't call it service.

Mr. KENNEDY. When you say "they" would you say who it was?

Mr. ELKINS. Joe McLaughlin and Tom Maloney said, "We can get it started, the horse book started." I said, "Where are you going to get the service?" They said, "We don't call it service; we call it the results."

Mr. KENNEDY. Did you say, "Where are you going to get the results?"

Mr. ELKINS. That is correct.

Mr. KENNEDY. What did they explain about that?

Mr. ELKINS. They said that there was a teamster paper there.

Mr. KENNEDY. What did they say first about newspapers?

Mr. ELKINS. I beg your pardon?

Mr. KENNEDY. Did they say anything about newspapers having tickers?

Mr. ELKINS. That is correct, and they said that newspapers got the results and some papers printed them. But that the teamsters' paper had the same privileges as big papers did, as far as the ticker was concerned.

Mr. KENNEDY. All right.

Mr. ELKINS. I asked them what they were going to do about Moxness. He was a do-gooder.

Mr. KENNEDY. He was the editor of the teamster paper?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. His name is "Moxness"?

Mr. ELKINS. He formerly worked with the Oregonian.

Mr. KENNEDY. And he was at that time editor of the newspaper of the teamsters?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You asked them if they were going to use the teamster newspaper to get the results and what they were going to do with Moxness, the editor?

Mr. ELKINS. That is correct.

Mr. KENNEDY. What did they say?

Mr. ELKINS. They said they would put him in line or they would replace him.

Mr. KENNEDY. Did you understand that at a later time he was replaced?

Mr. ELKINS. That is correct.

Mr. KENNEDY. How much longer after this time was he replaced?

Mr. ELKINS. I had a falling out about in April. The last day of April we had a falling out and we squabbled through May and then

we kind of got together in June and so I would say they replaced him the middle of the year sometime.

Mr. KENNEDY. Around May or June?

Senator MUNDT. When you say—

we had a falling out—

you mean you and the editor of the paper?

Mr. ELKINS. No, me, Joe McLaughlin, Tom Maloney and Clyde Crosby.

Mr. KENNEDY. And you were just trying to fix the time as to when Moxness left.

Mr. ELKINS. I think it was about September, maybe, I couldn't say just exactly what month it was.

Mr. KENNEDY. During this period of time, were you making continuous payments to Joe McLaughlin and Tom Maloney or monthly payments?

Mr. ELKINS. No, that didn't start until August. We quit, or I quit, the last day of April.

Mr. KENNEDY. Had you paid them in January and February and March, or had you made any payments?

Mr. ELKINS. Yes, I did.

Mr. KENNEDY. Now, this is payments to Joe McLaughlin and Tom Maloney we are talking about.

Mr. ELKINS. That is right.

Mr. KENNEDY. That is as far as we will go. Then, you stopped for several months and then you continued again in September.

Mr. ELKINS. That is right.

Mr. KENNEDY. What were these payments coming from?

Mr. ELKINS. Well, the first payments were coming out of my pocket, all but one. There was one coming out of a poker game that I had 25 percent of. I split it with them.

Mr. KENNEDY. But the rest of it was coming out of your pocket?

Mr. ELKINS. That is right.

Mr. KENNEDY. Now, were they talking about the interest that John Sweeney and Frank Brewster had in this matter?

Mr. ELKINS. They were telling me that they were very unhappy.

Mr. KENNEDY. Why were they unhappy?

Mr. ELKINS. Because I didn't get anything open.

Mr. KENNEDY. Did you explain to them why you were not getting things open?

Mr. ELKINS. I told them the city administration was stopping me.

Mr. KENNEDY. What position did they take about that?

Mr. ELKINS. They felt I was lying about that, and I couldn't get it open if I wanted to.

Mr. KENNEDY. What type of things did they want to get open?

Mr. ELKINS. Horse book, punch board, pinballs, houses.

Mr. KENNEDY. Was there more discussion at that time about houses of prostitution?

Mr. ELKINS. A little discussion, yes, I think on 1 or 2 occasions.

Mr. KENNEDY. Did they bring anybody else down from Seattle?

Mr. ELKINS. Yes, they brought Frank Colacurcio down.

Mr. KENNEDY. Did you have a meeting with Frank Colacurcio?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Where did you have a meeting with him?

Mr. ELKINS. In Tom and Joe's apartment, Tom Maloney and Joe McLaughlin's apartment in Portland Towers.

Mr. KENNEDY. That was Frank Colacurcio?

Mr. ELKINS. He was a boy that had various things operating in Seattle.

Mr. KENNEDY. He was in the same kind of business as you, but more.

Mr. ELKINS. That is right.

Mr. KENNEDY. And he was operating in Seattle?

Mr. ELKINS. And Washington, yes.

Mr. KENNEDY. In the State of Washington?

Mr. ELKINS. That is right.

Mr. KENNEDY. What conversations and discussions did you have with Frank Colacurcio when he came down to Portland?

Mr. ELKINS. He wanted me to arrange so that he could take over 3 or 4 houses. I told him if he wanted the houses to go buy them.

The CHAIRMAN. What kind of houses?

Mr. ELKINS. Rooming houses for houses of prostitution, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. What other conversation did you have with him about them?

Mr. ELKINS. It wound up in a row.

Mr. KENNEDY. For what reason?

Mr. ELKINS. Well, he said he would pay for them out of the earning of them and I said I didn't think that they would run long enough for that.

Mr. KENNEDY. Why did you say that?

Mr. ELKINS. Because I was telling him the truth. I didn't think they would run; I thought they would get arrested.

Mr. KENNEDY. So you didn't reach any agreement with Colacurcio?

Mr. ELKINS. No, I did not.

Mr. KENNEDY. He went back.

Mr. ELKINS. That is correct.

Mr. KENNEDY. Were there discussions then with Joe McLaughlin and Tom Maloney about setting up the rest of the gambling and things?

Mr. ELKINS. Pardon me. Joe McLaughlin wasn't present at the meeting, that was Tom Maloney and Frank Colacurcio.

Mr. KENNEDY. Just the three of you?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Did you raise the question during these discussions as to what you would do about the chief of police and the mayor, or what should be done or what could be done?

Mr. ELKINS. Well, I thought that they would arrest any places that opened.

Mr. KENNEDY. What answer was given to you?

Mr. ELKINS. I was told that they would have Clyde see the mayor.

Mr. KENNEDY. Who?

Mr. ELKINS. Clyde Crosby see the mayor, and have him change the chief of police if he didn't play ball.

Mr. KENNEDY. Do you know if he ever did see the mayor?

Mr. ELKINS. I think he did, eventually.

Mr. KENNEDY. About changing the chief of police?

Mr. ELKINS. That is correct. They threatened it many times.

Mr. KENNEDY. What was the chief of police's name?

Mr. ELKINS. Jim Purcell.

Mr. KENNEDY. Did you learn later that Clyde Crosby did go to the mayor and see about getting the chief of police changed?

Mr. ELKINS. That's right.

Mr. KENNEDY. Did you learn, also, that the mayor was told that the teamsters would not support him in the next election unless he got rid of the chief of police?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did they, in fact, support his opponent?

Mr. ELKINS. They did.

Mr. KENNEDY. Now, that is moving up several months from the time we are talking about right now.

Mr. ELKINS. Yes; we are jumping up several months at a jump.

Mr. KENNEDY. Now, did you say or was any mention made during this period of time about the power of the teamsters or what John Sweeney and Frank Brewster would do.

Mr. ELKINS. Practically every day; yes.

Mr. KENNEDY. Excuse me.

Mr. ELKINS. Practically every day.

Mr. KENNEDY. What kind of conversations went on, Mr. Elkins?

Mr. ELKINS. Well, Tom, in particular, looked on the teamsters, more so than Joe did, as God or something. That is, Frank Brewster and John Sweeney.

Mr. KENNEDY. Was there any discussion about what they could accomplish?

Mr. ELKINS. Yes; they said we could eventually take over the whole State of Oregon if we had their backing.

Mr. KENNEDY. And did they say anything about if the mayor or chief of police opposed you?

Mr. ELKINS. They would change them; that's all.

Mr. KENNEDY. Who would change them?

Mr. ELKINS. That the teamsters would oppose them at election times and that they would throw the chief out.

Senator McCARTHY. Were they successful in throwing the chief out?

Mr. ELKINS. No; they were not. They were successful in throwing the mayor out at election time only.

Senator McCARTHY. Could I ask one further question? Did you work toward the objective of throwing the mayor out also?

Mr. ELKINS. No; I did not.

Senator McCARTHY. Did you support the losing mayor?

Mr. ELKINS. I didn't support either one of them in this election. I was in too much trouble of my own by that time.

Senator McCARTHY. How about the chief of police situation? Did you support the man the teamsters wanted to get rid of?

Mr. ELKINS. No; they indicted him. I went to him and tried to tell him he was going to get fired if he didn't let the teamsters open a little bit, and he threw me out of his office, or ordered me to get out.

Senator McCARTHY. What was he indicted for?

Mr. ELKINS. Malfeasance. They later dismissed it.

Mr. KENNEDY. The indictment against him was dismissed?

Mr. ELKINS. Yes, sir.

Senator McCARTHY. Could I ask one other question? Who presented the case to the grand jury to get the indictment of the chief of police?

Mr. ELKINS. The attorney general, I believe, or some member of his staff.

Senator McCARTHY. Was he in on any of this dealing at all as far as you know?

Mr. ELKINS. Not that I know of. I never heard that he was.

Senator McCARTHY. Could you tell us just very briefly what the charges of malfeasance were?

Mr. ELKINS. That he had let certain places operate.

Senator McCARTHY. By "certain places," what do you mean?

Mr. ELKINS. I mean certain illegal places in the city operate.

Senator McCARTHY. And he was never brought to trial?

Mr. ELKINS. He was not. I think that he showed where there was a whole basketful of arrests on every place they mentioned.

Senator McCARTHY. I didn't get that; I am sorry.

Mr. ELKINS. They arrested every place that they had mentioned and they had been arrested.

Senator McCARTHY. After he was indicted, he proceeded to clean up the places he was accused of?

Mr. ELKINS. No; they had been cleaned up. These places had been arrested continuously.

Senator McCARTHY. I see. What was the name of the judge who dismissed the indictment?

Mr. ELKINS. Judge Lonigan, I believe; the attorney general's office recommended the dismissal, and I don't know the circumstances, but I think it was Judge Lonigan.

The CHAIRMAN. Did I understand you to say, to get the record clear, that after he was indicted he was able to show that he had been making periodic arrests at these places?

Mr. ELKINS. That is correct; also that he had written a letter to the district attorney asking him to abate these places.

The CHAIRMAN. In other words, his record from your information was clear on it, that he had not only made arrests, but he had urged the district attorney to take action to close the places.

Mr. ELKINS. He didn't only arrest them, sir, he moved the furniture all out on several occasions, the ones I had anything to do with.

The CHAIRMAN. Did you have something to do with some of those that he moved the furniture out of?

Mr. ELKINS. Yes, sir.

The CHAIRMAN. Is that the same man who threw you out of his office?

Mr. ELKINS. That is correct.

The CHAIRMAN. All right.

Senator McNAMARA. While you are interrupting, there was some testimony given as to talking to some people about taking over some houses. Were these operating houses or vacant houses that you proposed to start a business in.

Mr. ELKINS. You mean where the houses were vacant?

Senator McNAMARA. No. I mean were they houses of prostitution?

Mr. ELKINS. Yes; they were houses of prostitution.

Senator McNAMARA. Operating?

Mr. ELKINS. No; they weren't operating at the time.

Senator McNAMARA. Were they just houses?

Mr. ELKINS. They had been in the habit of operating when they could until they would get arrested, and then they would close and then they would start again. But it was sometime in the last 10 years they had been operating; yes.

Senator McNAMARA. Within the last 10 years they had been operating?

Mr. ELKINS. Yes; periodically, and there is a certain district that I would say had maybe 10 or 15 rooming houses, that periodically are houses of prostitution.

Senator McNAMARA. They were proposed locations for any operation; is that right?

Mr. ELKINS. That is right.

Senator McNAMARA. Thank you.

The CHAIRMAN. All right, Mr. Counsel.

Mr. ELKINS. There could have been 1 or 2 of them operating, but I don't know that they were, sir. But it was a proposed location to open them up and operate them.

Senator McNAMARA. I don't know what impression the witness proposes to leave with the committee. You confuse me by your last statement. Are you trying to leave the impression that they were operating?

Mr. ELKINS. No, I just say that I couldn't answer here that they were or not, sneaking, because I don't know. I've never been in either one of those places.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Elkins, specifically, was there a suggestion made about how to distribute and deal with punchboards?

Mr. ELKINS. Yes.

Mr. KENNEDY. That was early after they arrived?

Mr. ELKINS. That was in January or February of 1955, yes.

Mr. KENNEDY. Punchboards are gambling?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And they were illegal at that time?

Mr. ELKINS. They were illegal to own or operate.

Mr. KENNEDY. Was there discussion about how profitable it would be to have a punchboard operation in Portland?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Would you tell us a little bit about that?

Mr. ELKINS. Well, at first it was illegal to have one in your possession. Mr. Crosby went to the council——

Mr. KENNEDY. Prior to that, did you discuss how profitable it would be?

Mr. ELKINS. Yes, we did.

Mr. KENNEDY. And the problem they would be as far as illegality?

Mr. ELKINS. Yes, we discussed that if they couldn't have them in their possession they couldn't very well operate them.

Mr. KENNEDY. Did you and Joe and Tom discuss all of this?

Mr. ELKINS. We did; yes.

Mr. KENNEDY. Was there discussion about trying to get them made legal, or allow them to be in your possession?

Mr. ELKINS. That is right. There was that one line taken out of the ordinance.

Mr. KENNEDY. Was Clyde Crosby of the teamsters supposed to go to the city council and get that ordinance changed?

Mr. ELKINS. That is correct.

Mr. KENNEDY. He is the international organizer of the teamsters; is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did Clyde Crosby in fact go to the city council and get that ordinance changed?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And the ordinance was changed?

Mr. ELKINS. It was.

Mr. KENNEDY. So that the people were allowed to possess punchboards?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did you decide to go ahead with that idea about punchboards?

Mr. ELKINS. No. I took a man up to——

Mr. KENNEDY. First tell who you were getting in touch with in order to set up the punchboards. You decided at least initially that you would go into the punchboard operation; is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. What happened?

Mr. ELKINS. My brother and a fellow by the name of Nemer.

Mr. KENNEDY. That is Norman Nemer?

Mr. ELKINS. That is right. Norman Nemer. He owned a novelty company and had some punchboards, I believe, at that time.

Mr. KENNEDY. Had he been prominent in the punchboard field?

Mr. ELKINS. And the pinball.

Mr. KENNEDY. Prior to this time?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Prior to the time they had been made illegal?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did you approach him?

Mr. ELKINS. I did.

Mr. KENNEDY. And what happened?

Mr. ELKINS. I took him up to the Portland Towers.

Mr. KENNEDY. What was at the Portland Towers?

Mr. ELKINS. Joe McLaughlin and Tom Maloney.

Mr. KENNEDY. They had moved to Portland Towers from the Multnomah Hotel, is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. You took them up to the room, after discussing this with Joe McLaughlin and Tom Maloney, you took Norman Nemer up to the apartment?

Mr. ELKINS. That is right, and it was suggested that he get into the union.

Mr. KENNEDY. Get into the union?

Mr. ELKINS. That is right, and put union stickers on the punchboards.

Mr. KENNEDY. Was there a discussion about what the union could do?

Mr. ELKINS. They could——

Mr. KENNEDY. What was said to you at the meeting, Mr. Elkins, and who said it to you, and who said it to Mr. Nemer?

Mr. ELKINS. Joe McLaughlin said that he, Joe McLaughlin, and Tom Maloney, would get Mr. Nemer in the union, and they wouldn't let anyone else in the same type of business in, and they would give him stickers to put on there, and then Mr. Nemer was sent over to Mr.——

Mr. KENNEDY. Wait a moment. Let us go back to the meeting.

Mr. ELKINS. All right.

Mr. KENNEDY. What was suggested to Mr. Nemer to be the advantage of having stickers on his punchboards?

Mr. ELKINS. So that no one else could put their punchboards in the same location that he had them in.

Mr. KENNEDY. Was there discussion at that time about going around to the various drugstores or cigarstores that had these punchboards?

Mr. ELKINS. That is right.

Mr. KENNEDY. And did Joe McLaughlin explain to Mr. Nemer that they would only allow Mr. Nemer into the union?

Mr. ELKINS. I just said that; yes, sir.

Mr. KENNEDY. And that the teamsters, through their power of not allowing deliveries to drugstores and to cigarstores, would force these stores to take only Mr. Nemer's punchboards?

Mr. ELKINS. I don't know about the drugstores, but if they threatened to shut off their beer and their bread, they wouldn't have any trouble with them.

Mr. KENNEDY. Was Mr. Nemer, through this operation, to get a control of the punchboards?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did McLaughlin also speak about Tom Maloney going to work?

Mr. ELKINS. He suggested that he put Tom Maloney in the building as a bookkeeper in the main office of Norman Nemer.

Mr. KENNEDY. And did Mr. Nemer accept that?

Mr. ELKINS. Yes. He seemed agreeable to it, at that time. But we didn't come to an agreement then because Joe McLaughlin and Tom Maloney said they had to check with John about the percentage.

Mr. KENNEDY. The percentage of what?

Mr. ELKINS. That each one would get out of the punchboards.

Mr. KENNEDY. And was that check ever made?

Mr. ELKINS. It was. He said we wanted too much. We wanted 25 percent each, and Norman Nemer.

Mr. KENNEDY. You wanted 25 percent, Norman Nemer wanted 25 percent, and the rest would go to Joe McLaughlin and he checked that out with Tom Sweeney, is that correct?

Mr. ELKINS. That is correct. I believe that is the right percentage.

Mr. KENNEDY. Was that acceptable to Norman Nemer?

Mr. ELKINS. It was to Norman Nemer, yes.

Mr. KENNEDY. What about you?

Mr. ELKINS. I accepted the proposition, yes.

Mr. KENNEDY. Did Joe McLaughlin tell Norman Nemer to go down and get into the union?

Mr. ELKINS. He did.

Mr. KENNEDY. Had any of these pinball operators or punchboard operators been in the union at that time?

Mr. ELKINS. No; just myself. Just my men.

Mr. KENNEDY. Did Norman Nemer go down?

Mr. ELKINS. He did.

Mr. KENNEDY. Did he report back that he was accepted in the union?

Mr. ELKINS. That is correct.

Mr. KENNEDY. He was the first one accepted in the union?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did this plan ever go into operation?

Mr. ELKINS. No; it did not.

Mr. KENNEDY. Would you explain why it did not?

Mr. ELKINS. Well, Norman Nemer went to a meeting of the coin men and the board operators. They had a meeting, and were trying to get into the union. Someone asked him how he got in, and he said Lou Dunis got him in.

Senator MUNDT. Said what?

Mr. ELKINS. Lou Dunis used his influence to get him in. He thought he was being smart, but he stirred up a hornet's nest.

Mr. KENNEDY. First the coin operators, that association, they had an association of all the pinball operators?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And Norman Nemer having a pinball route himself was a member of that, right?

Mr. ELKINS. That is correct.

(At this point, Senator Kennedy entered the hearing room.)

Mr. KENNEDY. At the next meeting, they asked him "How could you get into the union when none of us could get in"?

Mr. ELKINS. That is right.

Mr. KENNEDY. He at first was mad at Lou Dunis, is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. So he said "Lou Dunis got me in"?

Mr. ELKINS. That is correct.

Senator McCARTHY. What is the theory of the coin operators being in the teamsters union? How did they get their charter, and who was responsible for it?

Mr. KENNEDY. At that time, Senator, no one was in the union except Mr. Elkins' men, and they got in through Tom Maloney. The coin operators were having a difficult time trying to get into the union. This scheme was worked out with Mr. Elkins, Mr. McLaughlin, and Mr. Nemer, chiefly, and in some part Mr. Maloney.

Senator McCARTHY. How did you get a charter for the pinball machines in the teamsters union?

Mr. ELKINS. I didn't have a charter.

Senator McCARTHY. You did not have a charter?

Mr. ELKINS. No.

Senator McCARTHY. I understood you to say you were in the union.

Mr. ELKINS. My men were. I just sent them over there and they joined. That is all. They just paid.

Senator McCARTHY. In other words, they paid their dues, but there was no charter from the teamsters union?

Mr. ELKINS. No; there was not.

Senator MUNDT. Could you give us a little better picture of what Mr. Nemer told you? You said he told you he went down and joined the union. What do you mean by going down? Who did he see?

Mr. ELKINS. He went to the teamsters hall and seen Mr. Clyde Crosby. Mr. Clyde Crosby called a union representative, anyway, that he said had gone to school with Mr. Nemer. There was no problem, no discussion about wages or anything like that. He just signed him up and give him a handful of stickers. I mean by stickers, they were little decals with the union emblem on them.

Senator MUNDT. He got those from Mr. Crosby?

Mr. ELKINS. He got them from Mr. Crosby, yes.

Senator MUNDT. He got the stickers from Mr. Crosby which he could put on the punchboards denoting them as union punchboards?

Mr. ELKINS. That is correct.

Senator MUNDT. When he went down and talked to Mr. Crosby, he had no difficulty in getting into the union? He did not have to pay anything or anything of that kind, but he just went down and got in?

Mr. ELKINS. That is correct.

Senator McCARTHY. I do not quite follow this. One punchboard or pinball operator was given stickers to put on his machines. He did not belong to the union as such. You say his workmen belonged to the union; is that right?

Mr. ELKINS. You are talking about me now or Norman Nemer?

Senator McCARTHY. Nemer.

Mr. ELKINS. He was given stickers to put on his pinballs and his machines, he and one employee, I believe.

Senator McCARTHY. Would you give us a quick picture as to how that worked, what advantage there was to getting the stickers, and whether the other operators could get them or not?

Mr. ELKINS. They could not get them.

Senator McCARTHY. They could not get stickers, the other operators?

Mr. ELKINS. No, sir, and they couldn't get into the union until such time as we decided they were.

Senator McCARTHY. In other words, you and Nemer got these stickers, and if someone would use pinball machines that did not have stickers on them, they would not get deliveries of beer or food or what-have-you?

Mr. ELKINS. That is correct. Only there wasn't anything said about Nemer's pinballs. He said he only had a few pinballs at that time, seven or eight locations. It was primarily for the punchboards.

Senator McCARTHY. Was there a payoff in connection with that?

Mr. ELKINS. To the union, do you mean?

Senator McCARTHY. Pardon?

Mr. ELKINS. To the union, do you mean?

Senator McCARTHY. I do not like to use the word "union." Let us use some individuals who claimed to represent the union.

Mr. ELKINS. Mr. McLaughlin or Mr. Maloney? No, there was no payoff. They were to receive their percentage out of the earnings of the punchboards.

Senator McCARTHY. In other words, the payoff was a percentage out of the machines?

Mr. ELKINS. Of the earnings, yes, sir.

Senator McCARTHY. And what was that percentage to be?

Mr. ELKINS. Well, we never did agree on it. We tentatively agreed on 50 percent, but we were later told that John Sweeney didn't think that Joe and Tom were getting enough, and the whole thing blew up.

Nemer just got in the union, period. He didn't go ahead with the punchboard idea at all.

Senator McCARTHY. When you say Nemer got in the union, do you mean that his organization was unionized?

Mr. ELKINS. Yes, sir.

Senator McCARTHY. And then he, of course, had stickers, also?

Mr. ELKINS. That is right.

Senator McCARTHY. Do you know if there was any payoff there?

Mr. ELKINS. Just the regular dues, I believe, sir.

Senator McCARTHY. Just the regular dues?

Mr. ELKINS. As far as I know, sir.

Senator McCARTHY. So far as you know, there was no percentage, or no payoff to anyone in connection with either Nemer's machines or yours?

Mr. ELKINS. No, not for the machines. No.

Senator McCARTHY. Just where did the payoff come? What did these two men get out of it?

Mr. ELKINS. They didn't get anything out of it.

Senator McCARTHY. As far as you know, the union got nothing out of it?

Mr. ELKINS. That is correct, only their regular dues, and that is all.

Senator McCARTHY. If I recall, did you not testify that there was a \$10,000 payoff?

Mr. ELKINS. Not for those people.

Senator McCARTHY. I am a bit confused on this. If there was no payoff, I wonder where the graft was.

Mr. KENNEDY. The gist of this whole thing again is that Maloney and McLaughlin came down to Portland from Seattle, and with the help of other union officials were going to organize the vice and the operations in the city. They started to organize, attempted to get into the prostitution, and they attempted also to get into punchboards, which is part of gambling. What they were going to do is Joe McLaughlin and Tom Maloney, making returns to John Sweeney and Frank Brewster from Seattle, were going to organize this company and they were going to have exclusive jurisdiction in the punchboard field. Together with the power of the teamsters, they could go around to cigarstores and say "You take our punchboards, or otherwise we will not allow any beer to be delivered or cigars to be delivered."

As Norman Nemer was going to be the only one allowed in, they would be permitted through this company to have exclusive control over all the punchboard operations. This is a pattern that was followed in certain other phases.

Senator McCARTHY. And Maloney and McLaughlin, as you understand from your investigation, were to receive a payoff of some kind?

Mr. KENNEDY. Not a payoff. They were going to get the profits of the company, and the profits were going to be immense. There were discussions about them stretching out through the whole of Oregon. They were going to be able, through this operation, to control all the punchboards, first through the city of Portland and then the State of Oregon.

Is that correct, Mr. Elkins?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And Mr. Elkins was going to share the profits.

Senator McCARTHY. So I have this clearly in mind, Maloney and McLaughlin were organizing this company. You and they were to share in the profits and no one else was to get a union sticker. Anyone that had a punchboard without a sticker would not be delivered beer or liquor or food, is that it?

Mr. ELKINS. That is correct, yes, sir.

Senator McCARTHY. Did you have any estimate of the amount of take there would be? Let us not say profit.

Mr. ELKINS. We figured it would run in Portland alone \$100,000 a year, or something like that.

Senator McCARTHY. About \$100,000 a year?

Mr. ELKINS. Conservatively speaking.

Senator McCARTHY. And this was not, as far as you knew, to go into the coffers of the union. In other words, the working man would not benefit by it. It was Maloney and McLaughlin who had positions in the union that would have the take or profit, call it what you may?

Mr. ELKINS. That is correct. At no time did I think that the working man would get a nickel of it.

Senator McCARTHY. See if I am correct in this: Maloney and McLaughlin, however, would either throw a picket line up or have the trucks refuse to deliver material to any place that did not have a sticker, a union sticker, on the machines?

Mr. ELKINS. That is correct, yes, sir.

Senator McCARTHY. Thank you very much.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I would like to ask Mr. Elkins one or two questions.

Mr. Elkins, it was your idea in operating these pinballs that nobody would be allowed in the field without a union sticker?

Mr. ELKINS. No, it wasn't my idea on that.

Senator GOLDWATER. Not your idea, but it was the general idea?

Mr. ELKINS. That was the general idea, sir.

Senator GOLDWATER. How much was going to be charged for that union sticker?

Mr. ELKINS. Do you mean by the union?

Senator GOLDWATER. By the union.

Mr. ELKINS. Well, there was no discussion on that. We just paid for the men that we employed to get in the union, and we would say how many stickers we wanted. We think—I had 37 pinball locations and they would give me whatever stickers I would ask for. I would just put them on my pinballs.

Senator GOLDWATER. A new man, Mr. Smith, let us say, if he came to town and wanted to get in on the deal, could not get union stickers at any price?

Mr. ELKINS. Not at any price, until we got the locations we wanted. Eventually it could come to that, but we had not quite covered that phase of it on the pinballs yet.

Senator GOLDWATER. But Mr. Smith could not, for \$10,000 or \$15,000, or any amount, buy a membership in that union?

Mr. ELKINS. Well, for that figure I think he could have, yes, sir.

Senator GOLDWATER. What I am trying to get at is was there any price set for this membership?

Mr. ELKINS. No. They just wasn't supposed to get in, period. Mr. Maloney said he would crawl to Seattle on his knees if anyone could get in there.

Senator GOLDWATER. So it was, in effect, a closed shop?

Mr. ELKINS. That is correct, yes.

Senator GOLDWATER. Mr. Elkins, do you know what the change was that was effected in the city ordinance?

Mr. ELKINS. Yes. They just took one line out. I don't know where it was. It was

illegal to possess a punchboard,

and they took that line out. I believe the reason they give was that they didn't want the teamsters violating the law in transporting them, picking them up in transit.

Senator GOLDWATER. I have one more question.

Did the teamsters own any of these punchboards?

Mr. ELKINS. No, sir.

Senator GOLDWATER. They did not?

Mr. ELKINS. They did not.

Senator GOLDWATER. That is all I have.

Thank you.

The CHAIRMAN. Mr. Elkins, you have testified about a man named Nemer, Norman Nemer.

Mr. ELKINS. Yes, sir.

The CHAIRMAN. When was the last time you saw him?

Mr. ELKINS. It has been about a year, I imagine. I have seen him on the street was all.

The CHAIRMAN. When was the last time you talked to him? How long ago?

Mr. ELKINS. I believe it was in April or May.

The CHAIRMAN. Last year?

Mr. ELKINS. Of 1955, yes, sir.

The CHAIRMAN. Of 1955?

Mr. ELKINS. No, 1956.

The CHAIRMAN. 1956?

Mr. ELKINS. Yes.

The CHAIRMAN. Have you had any conversations with him, either by telephone or any communications to or from him in any way since this committee became interested, or since this or the other committee became interested in this matter?

Mr. ELKINS. No, sir. He don't like me right now.

The CHAIRMAN. He does not like you right now.

The Chair would like to read an affidavit into the record at this point. The witness may remain in the chair.

ROOM 510, UNITED STATES COURTHOUSE,
Portland, Oreg., February 13, 1957.

STATE OF OREGON,
County of Multnomah:

I, Norman B. Nemer, residing at 1054 Southwest Douglas Place, Portland, Oreg., with a place of business at 814 Southwest First Avenue, Portland, Oreg., make the following statement of my own free will without any promise of favor or immunity, in the presence of Jerome Adlerman and Alphonse Calabrese, assistant counsel to the United States Senate select committee which is known to me to be investigating improper activities in labor or management fields.

Several months prior to February 15, 1955, I had conversation with Mr. James B. Elkins at the suggestion of Mr. Leo Plotkin.

Will you tell us who Leo Plotkin was?

Mr. ELKINS. He was just a man out of work.

The CHAIRMAN. Was he running a bootlegging joint at the time?

Mr. ELKINS. He was employed in one, yes.

The CHAIRMAN. I will continue reading:

I was given to understand by them that there was a possibility that punchboards might be licensed and legalized in the city of Portland. Our discussions contemplated that if punchboard operations could be licensed a company would be formed consisting of Jim and Fred Elkins and Ray Fessler and myself as partners.

Who is Ray Fessler?

Mr. ELKINS. Well, he is a man that owns a bar in Nevada at the present time. At that time he lived in Palm Springs.

The CHAIRMAN. I will continue reading:

Some time elapsed without anything happening.

A few weeks before February 15, 1955, Mr. Jim Elkins called me and said that the punchboard operations had taken on new life and that new contacts had been established.

About the first week in February 1955 I went up to the Portland Towers and was introduced to Joseph Patrick McLaughlin and I believe also to Thomas Maloney. Such introductions definitely established to me that both McLaughlin and Maloney were connected with the teamsters and during the course of our conversations that afternoon McLaughlin mentioned his teamster connections and particularly mentioned the names of Brewster, Sweeney, and Crosby. The conversations revolved around the fact that McLaughlin, Maloney, and the two Elkins brothers wanted a company formed to operate punchboards, if and when they were made legal, and they asked me if I was willing to manage it. In our conversations it was clear to me that the union side of this thing was that they were to have the lion's share. It was also made clear to me that McLaughlin and Maloney represented the heads of the teamsters union. It was further clear to me that McLaughlin and Maloney, through their teamster union connections, were to obtain the legislation of the punchboards and Mr. James Elkins also was to use whatever connections he had to likewise attempt to obtain legalization of the punchboards.

The discussions also indicated that the operation was to be financed by James Elkins and McLaughlin and that my share would be a minor portion of the operation.

The discussions also covered, not only the licensing of the punchboards, but also getting accounts and locations and possible competition. I was told that this operation would be a partnership; that it would have to be a union operation, and that it was necessary for me to become a union member. They also discussed the fact that the union could take in or leave out anyone that it wished and thereby assuring themselves of a complete monopoly in the punchboard field.

The next thing I knew I got a telephone call from a man whom I believe to be from the teamsters' union and I was told to come down to see Mr. Crosby. Mr. Crosby asked me a few academic questions, such as why I wanted to join the union and then he turned me over to Mr. Hildreth or a clerk and I was signed up on February 15, 1955. I fix this date by the fact that I drew a check on that date, No. 5647, in the sum of \$52 to cover the initiation fees for myself and 1 employee, Mr. Joel Dake. I recall that while I was talking to either Mr. Hildreth or one of the union clerks, he told me that Mr. Dake would also have to join and get him down right away. I called him and he came down and he was made a union member the same day.

There was a second meeting in the Portland Towers some time after I joined the union. At this meeting, which was a very short meeting, Jim and Fred Elkins, Joseph McLaughlin, and Thomas Maloney and I were again present. At this meeting there was a discussion about the trouble that Terry and Dunis had because they could not get into the union and McLaughlin and Elkins were laughing about this problem. At this meeting I also recall that McLaughlin asked me if it would be all right, if and when we started operations, whether Maloney could be on the payroll as a bookkeeper or in some other such capacity.

This meeting ended with the understanding that any future business to be taken up would be held at another subsequent meeting. There were no further meetings which I attended.

This statement consisting of four pages, which has been read by me, is true and correct to the best of my knowledge.

(Signed) NORMAN B. NEMER.

Signed in the presence of

Alphonse F. Calabrese, February 13, 1957 (Signed)

Jerome S. Alderman, February 13, 1957.

Sworn to and subscribed before me on the 13th day of February 1957.

(Signed) LOUIS SCHULTZE,
Notary Public for Oregon.

My commission expires August 1, 1958.

The whole thing may be printed in the record at this point.

(At this point, Senator McCarthy withdrew from the hearing room.)

The CHAIRMAN. Do you have any comment to make on the affidavit, Mr. Elkins?

Is there any point about his testimony that is incorrect, so far as you know?

Mr. ELKINS. I beg your pardon?

The CHAIRMAN. You heard me read the affidavit of Mr. Nemer. I am asking you if there is any statement in there that is incorrect so far as you know.

Mr. ELKINS. Well, it follows along pretty much in line. I don't remember that there was too much question raised about whether it was legal or illegal. It was just where we could get the city to go along and let us operate them, which we couldn't, so we didn't operate.

The CHAIRMAN. That was the question. They wanted to be sure that you were going to be able to operate.

Mr. ELKINS. That is right, where we could fix it or legalize them, whatever way we could do it.

The CHAIRMAN. All right.

Are there any further questions, Counsel?

Mr. KENNEDY. This is separate and apart from the pinball operation?

Mr. ELKINS. That is correct.

Mr. KENNEDY. This is just the the punchboards?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And it happened to be that Mr. Norman Nemer also had some pinballs?

Mr. ELKINS. That is correct.

Mr. KENNEDY. But the operations we are talking about now are the punchboard operations?

Mr. ELKINS. That is correct.

Mr. KENNEDY. We have not gotten into the pinballs.

Mr. ELKINS. That is correct.

Senator McNAMARA. Mr. Chairman, apparently we are about to leave the punchboard section. Is that a correct assumption?

Mr. KENNEDY. Yes, sir.

Senator McNAMARA. I would like to ask a couple of questions about the punchboard operations.

The sworn statement just put into the record by the chairman indicated that you also cooperated in getting the ordinance changed in the city; is that correct?

Mr. ELKINS. I didn't have no way of cooperating. I will tell you how I cooperated. I went to a friend and had a candy manufacturer write a letter to Mr. Crosby, asking him to go—well, giving him something to hang his hat on when he got in front of the council.

Senator McNAMARA. That could be constructed by the man who made the sworn statement as cooperation, I suppose.

Mr. ELKINS. That is right. I think he got 1 or 2 candy manufacturers, and I think I got 1.

Senator McNAMARA. Then what the teamsters are guilty of here, as you have indicated, is trying to control the distribution of a legalized operation? The punchboard now become legalized by the change?

Mr. ELKINS. No; they didn't become legalized. It was legal to have one in your possession, but still illegal to operate it, sir. You were still gambling.

The CHAIRMAN. Let us see if we can clear that up.

Senator McNAMARA. I think that is quite confusing.

The CHAIRMAN. The ordinance at the time provided that it was not only illegal to operate them but also illegal to have them in your possession?

Mr. ELKINS. That is correct, sir.

The CHAIRMAN. So the revision of the ordinance or the amendment that was adopted by the council simply removed the illegality of possession?

Mr. ELKINS. That is correct, sir.

The CHAIRMAN. Is that what you are saying?

Mr. ELKINS. That is right, sir.

The CHAIRMAN. And then as to operating them, you proposed, if you could not get them legalized, to operate, and you thought you could not, I assume, you proposed to make arrangements about operating them anyway?

Mr. ELKINS. We tried to make arrangement, sir. We didn't make the arrangements.

The CHAIRMAN. You did try to make the arrangement and you did not succeed?

Mr. ELKINS. That is correct.

The CHAIRMAN. I would like to ask if Mr. Crosby was a member of the city council at that time.

Mr. ELKINS. No; he has never been a member of it.

The CHAIRMAN. He was a member of some commission?

Mr. ELKINS. Of the recreation center.

The CHAIRMAN. The building, that is correct. I was confused.

Senator McNAMARA. Mr. Chairman, may I continue?

The CHAIRMAN. Certainly. I did not mean to interrupt you.

Senator McNAMARA. That is quite all right. I think you clarified the point that I raised.

On the list that I have before me, which is a list prepared by the staff, I take it, Mr. Joseph Patrick McLaughlin and Mr. Thomas Emmett Maloney are listed as Seattle gamblers. You say in your testimony that they indicate that they had connections with the teamsters union. Did you intend to imply that they were not agents of the teamsters, or that they were agents of the teamsters? What is your estimation of that situation?

Mr. ELKINS. Well, it didn't make much difference to me, because Mr. Sweeney had told me that he wanted me to work with them.

Senator McNAMARA. Of course, Mr. Sweeney is dead.

Mr. ELKINS. That is right.

Senator McNAMARA. I think it is important that the committee know, if your testimony is going to be of any value, that these people were or were not agents of the Teamsters. I think that is the crux of our investigation at this phase.

Mr. ELKINS. Well, of course, from the telephone calls they made in my presence, and the times they talked to different people, there was no doubt in my mind that they were agents of Mr. Brewster and Mr. Sweeney.

The CHAIRMAN. Did they talk to Mr. Brewster by telephone in your presence?

Mr. ELKINS. Many times; yes.

The CHAIRMAN. About these operations, various aspects of them?

Mr. ELKINS. Well, just telling them things were not going very good, or it looked like they were looking up, and talking to them about Seattle or talking to them about San Francisco. I don't recollect just what they talked to them about, sir.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Elkins, do you know where this equipment was stored in Portland?

Mr. ELKINS. Which equipment was that, sir?

Senator GOLDWATER. Your punchboards?

Mr. ELKINS. In Norman Nemer's warehouse.

Senator GOLDWATER. Pardon?

Mr. ELKINS. In Norman Nemer's warehouse. He had quite a bit of equipment on hand, sir.

Mr. KENNEDY. Mr. Elkins, in their conversations with you, did they describe themselves as being associated with the teamsters?

Mr. ELKINS. That is correct; yes.

Mr. KENNEDY. And their close connection with the teamsters' union, was that the source of their power?

Mr. ELKINS. That is right.

(At this point, the chairman withdrew from the hearing room.)

Mr. KENNEDY. What did they say to you about it?

Mr. ELKINS. That they were connected with the teamsters, that McLaughlin had many odd jobs, and that Mr. Maloney had been working closely with Mr. Brewster for 20 years.

Mr. KENNEDY. Were you aware also that when Mr. Maloney first came down to Portland and registered at the Multnomah Hotel, he registered as an organizer for the teamsters?

Mr. ELKINS. I was told that. I didn't look at the registration, but I was told that, sir.

(Members present at this point: Senators Kennedy, McNamara, Mundt, and Goldwater.)

Mr. KENNEDY. Mr. Chairman, the records will show that.

Senator KENNEDY (presiding). Senator McNamara?

Senator McNAMARA. Do I understand that the statement was that the hotel registration showed that the man in question was a member of the teamsters' union? That is a very unusual procedure, to so register in a hotel.

Mr. KENNEDY. Senator McNamara, we can put some of those records in the record at this time, if you like. We have the registration cards.

Senator McNAMARA. I think it would be well to do that, if you have such records.

Senator KENNEDY. Without objection, that may be done.

Mr. KENNEDY. I would like to call Mr. Calabrese, the committee staff investigator, Mr. Chairman, as a witness.

(Members present at this point: Senators Kennedy, McNamara, Mundt, and Goldwater.)

Senator KENNEDY. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CALABRESE. I do.

TESTIMONY OF ALPHONSE F. CALABRESE

Mr. KENNEDY. Mr. Calabrese, will you identify yourself?

Mr. CALABRESE. My name is Alphonse Calabrese. I am a resident of College Park, Md., and I am a staff investigator with this committee.

Mr. KENNEDY. You have been an investigator with us for how long?

Mr. CALABRESE. For 2 years.

Mr. KENNEDY. What was your assignment prior to that time?

Mr. CALABRESE. Prior to that time I was employed with the Foreign Operations and, prior to that, 13 years experience with the FBI as a special agent.

Mr. KENNEDY. You were in the FBI for 13 years?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. You have some records there that we have received from various sources regarding Mr. Tom Maloney and Mr. Joseph McLaughlin?

(At this point the chairman entered the hearing room.)

Mr. CALABRESE. That is correct.

Mr. KENNEDY. Let us start on Tom Maloney. Do you have the telephone records of Mr. Maloney's residence at 3711 East Second Street, Spokane, Wash.?

Mr. CALABRESE. I have. I do.

Mr. KENNEDY. Do you have an application there for the service that contains the information that Maloney was a partner of the Maloney Sports Center?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. Was that information crossed out in the appropriate places and the employer's name and occupation shown?

Mr. CALABRESE. Teamsters' union organizer.

Mr. KENNEDY. What year was that?

Mr. CALABRESE. The notation was made in July of 1949.

Mr. KENNEDY. So that when he applied for the loan that we discussed yesterday from the teamster local in Spokane, he was then identifying himself as working for the teamsters; is that correct?

Mr. CALABRESE. Yes; in 1949 he was.

Mr. KENNEDY. That is Mr. Tom Maloney?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. Do you also have—

The CHAIRMAN. This document will be made exhibit No. 18.

Mr. CALABRESE. This is a photostat of the original service record.

(The document referred to was marked "Exhibit No. 18" for reference and will be found in the appendix on p. 371.)

Mr. KENNEDY. Do you have a car registration of Mr. Tom Maloney?

Mr. CALABRESE. I have a letter from the bureau of motor vehicles in the State of Oregon.

The CHAIRMAN. You may read that letter into the record.

Mr. CALABRESE. I might say that on January 11, 1957, I wrote to the bureau of motor vehicles in Salem, Oreg., asking for a search of their records of Thomas C. Maloney, who resided in 1955 at the Portland Towers in Portland, Oreg. I received a letter dated January 14, 1957. It is not signed. It contains the notation "Director, Department of Motor Vehicles of Oregon," and indicates that Tom Maloney, A. F. of L. Teamsters Building, Northeast Third and Holiday Streets, Portland, Oreg., made application for the registration of a car, of a 1950 Chevrolet coupe, license 1G2373. The title to this registration was issued on August 1, 1955.

The CHAIRMAN. Titled to whom?

Mr. CALABRESE. To Tom Maloney, who was the applicant.

The CHAIRMAN. I believe you said that letter was not signed.

Mr. CALABRESE. It came through the mail as unsigned.

The CHAIRMAN. The Chair would direct you, as a member of this staff, to check with the author of that letter, whoever wrote it, and let us find out more about it.

Mr. CALABRESE. I might say the postmark was from Salem, Oreg.

Mr. KENNEDY. Does it have any seal on it or anything?

Mr. CALABRESE. No, it is in blank. It came in that way.

Mr. KENNEDY. What about at the top?

Mr. CALABRESE. The letterhead indicates

State of Oregon, Department of Motor Vehicles, Salem. Oreg.

Mr. KENNEDY. And then says that Thomas Maloney at the teamster address applied—

Mr. CALABRESE. I will read that portion, if you wish.

The CHAIRMAN. Let the Chair ask about this first. I do not want to take a lot in this record that is not competent proof. Probably there is no doubt about the authenticity of it, but if the letter is not signed, I want to pursue the matter further.

As I understand it, you wrote a letter to whom?

Mr. CALABRESE. To the Bureau of Motor Vehicles in Salem, and they replied stating

In compliance with your request of January 11, this office is pleased to forward the following information, which we trust will meet your requirements. and then the information as I summarized it is set forth.

The CHAIRMAN. But the information is not signed by anyone?

Mr. CALABRESE. It is not signed by the director, that is correct. There is no signature.

The CHAIRMAN. Does it have a printed name on it?

Mr. CALABRESE. There is none. It is just "Director, Department of Motor Vehicles of Oregon."

The CHAIRMAN. I wish you would pursue that matter further. We withhold the document from the record for the present. I would like to get it authenticated.

Mr. CALABRESE. Very well.

Mr. KENNEDY. Do you have a Polk's Spokane City Directory for 1956?

Mr. CALABRESE. Yes. I have page 524 of the 1956 Polk's Spokane City Directory.

Mr. KENNEDY. Is there a Mr. Thomas Maloney listed there?

Mr. CALABRESE. "Thomas B. (Iva B.), organizer, Teamsters Union, H," meaning home, "3711 Second Avenue," This is in 1956.

The CHAIRMAN. Do you identify that? Do you know that to be his address?

Mr. CALABRESE. That is his address.

The CHAIRMAN. And he is registered in the city directory?

Mr. CALABRESE. In the city of Spokane.

The CHAIRMAN. And as an organizer of the teamsters union?

Mr. CALABRESE. As an organizer of the teamsters union, that is correct.

The CHAIRMAN. That will be admitted.

(The document referred to was marked exhibit No. 19 for reference and will be found in the appendix on p. 372.)

Mr. KENNEDY. Do you have a record for the Olympic Hotel in San Francisco, November 5 to November 9, of 1954, which is part of the pertinent period of time that we are interested in here?

Mr. CALABRESE. I do.

Mr. KENNEDY. Do you have a registration there?

Mr. CALABRESE. I do.

The CHAIRMAN. Is that a photostatic copy?

Mr. CALABRESE. Photostatic copies.

The CHAIRMAN. Of what?

Mr. CALABRESE. I have before me a photostatic copy of a bill made by the Olympic Hotel, 230 Eddy Street, San Francisco, for Tom Maloney, room 908, dated November 12, 1954, for a room from November 5 to November 9 at a cost of \$20, plus \$1.20 telephone calls, or a total of \$21.20. This was filed in the files of the Western Conference of Teamsters.

The CHAIRMAN. Who paid it?

Mr. CALABRESE. I have here a check found in the files of the Western Conference of Teamsters in Seattle, dated November 15, 1954, No. 7843, payable to the order of the Olympic Hotel, San Francisco, for the amount of \$21.20, signed by F. W. Brewster and John J. Sweeney.

The CHAIRMAN. Those documents, the two together, since they represent the same thing, may be made exhibit No. 19.

Mr. CALABRESE. I also have the registration for this room signed by Tom Maloney, Spokane, Wash., on November 5.

The CHAIRMAN. How did he sign his name?

Mr. CALABRESE. Tom Maloney, Spokane, Wash.

The CHAIRMAN. The three documents that you have may be made exhibit 19-A, 19-B, and 19-C.

Mrs. WATT. Did you want the city directory as an exhibit?

The CHAIRMAN. Make the sheet from the directory exhibit 19, and make the three I have just referred to as exhibits 20-A, 20-B and 20-C.

(The documents referred to were marked "Exhibits 20-A, 20-B and 20-C" for reference, and will be found in the appendix on pp. 373-375.)

Mr. KENNEDY. Do you have a registration from the Roosevelt Hotel in Portland, Oreg., for November 23 through November 26, 1954?

Mr. CALABRESE. I do.

Mr. KENNEDY. What address does that give for Mr. Thomas Maloney?

Mr. CALABRESE. 552 Denny Way, Seattle, Wash. That is the address of the Western Conference of Teamsters.

The CHAIRMAN. What is that document, a photostatic copy of the hotel registration?

Mr. CALABRESE. Yes. This is a photostatic copy of the hotel registration, Roosevelt Hotel, for Tom Maloney, showing his entrance date on November 23, 1954, and his departure date as November 26, 1954.

The CHAIRMAN. That may be made exhibit No. 21.

(The document referred to was marked "Exhibit No. 21" for reference, and will be found in the appendix on p. 376.)

Mr. KENNEDY. Do you have a record for the Hotel Olympic in Seattle, Wash., November 26 through November 30, 1954?

Mr. CALABRESE. I do.

Mr. KENNEDY. In the amount of \$35.86?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. Who was that charged to? Who does it state the bill has been charged to?

Mr. CALABRESE. The bill has a notation on the lower lefthand corner of the folio here:

Send account to Western Conference of Teamsters, 552 Denny Way, Seattle, attention John Sweeney—

and the telephone number is SEN 7370.

The CHAIRMAN. Is that a photostatic copy of the hotel record?

Mr. CALABRESE. That is correct.

The CHAIRMAN. Showing who registered there?

Mr. CALABRESE. Showing Thomas Maloney. The address shown on here is 2704 St. English Lane. Apparently this number is identical with, I believe, the number of William Langley in Portland, Oreg., that is, the street address.

Mr. KENNEDY. The street address is the same as William Langley's street address?

Mr. CALABRESE. Yes; that is correct.

Mr. KENNEDY. At that time the bill was paid for by the teamsters?

Mr. CALABRESE. Billed to the Western Conference of Teamsters, attention John Sweeney.

The CHAIRMAN. Do you have the check for paying it?

Mr. CALABRESE. We did not locate this check. We just have the bill to the Western Conference of Teamsters.

The CHAIRMAN. In other words, that shows the bill was sent, it would indicate the bill was sent, as directed by the guest who registered in that name?

Mr. CALABRESE. That is correct; yes.

Accompanying this is the registration card signed Thomas Maloney, the English Lane address, Seattle, Wash.

The CHAIRMAN. That may be made exhibit No. 22.

(The documents referred to were marked "Exhibits Nos. 22-A and 22-B" for reference and will be found in the appendix on pp. 377, 378.)

Mr. KENNEDY. Do you have a bill from the Hotel Multnomah in Portland, December 6 through December 11, 1954?

Mr. CALABRESE. I do.

Mr. KENNEDY. That is for the amount of \$36.41?

Mr. CALABRESE. Yes.

Mr. KENNEDY. Who is that charged to?

Mr. CALABRESE. J. J. Sweeney, 552 Denny Way, Seattle.

Mr. KENNEDY. That is Mr. John J. Sweeney?

Mr. CALABRESE. I assume so; yes.

Mr. KENNEDY. That is the address of the teamsters, is that right?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. And that is in Seattle, Wash.?

Mr. CALABRESE. Yes.

Mr. KENNEDY. Did Mr. Sweeney stay at that hotel the same period of time?

Mr. CALABRESE. Yes. I have a registration for John J. Sweeney, showing a stay from December 7 through December 8, 1954, and a bill of \$53.45 being due and this is also charged to the Western Conference of Teamsters.

I have accompanying that this check which was found in the files of the Western Conference of Teamsters, dated January 18, No. 8081, payable to the Multnomah Hotel, a sum of \$89.86, signed by F. W. Brewster, president, and John J. Sweeney, secretary-treasurer.

I believe the \$53.45 of Mr. Sweeney and the \$36.41 totals \$89.86.

The CHAIRMAN. Those may be made exhibits Nos. 23, numbering them 23-A, 23-B, and 23-C, as presented.

(The documents referred to were marked "Exhibits Nos. 23-A, 23-B, and 23-C" for reference and will be found in the appendix on pp. 379-387.)

Mr. KENNEDY. Do you have a bill of the Hotel Olympic, of Seattle, Wash., from December 11 to December 13, 1954, in the amount of \$27.40?

Mr. CALABRESE. I do.

Mr. KENNEDY. Charged to whom?

Mr. CALABRESE. John J. Sweeney, teamsters, 552 Denny Way.

The CHAIRMAN. You have the hotel registration?

Mr. CALABRESE. I have a copy of the hotel bill and a copy of the hotel registration. I have a copy of the bill forwarded to the Western Conference of Teamsters, which we found in their files, that \$27.40 was payable to the Olympic Hotel.

The CHAIRMAN. They may be made exhibits Nos. 24-A and 24-B as necessary to identify them.

(The documents referred to were marked "Exhibits Nos. 24-A and 24-B" for reference and will be found in the appendix on pp. 388-391.)

Mr. KENNEDY. Did Mr. Maloney put any notation on that bill you just read?

Mr. CALABRESE. He signs 3711 East Second, Spokane, Wash.

The CHAIRMAN. Is that where he lived?

Mr. CALABRESE. That is his home; yes, sir.

Mr. KENNEDY. And is there a bill for the Hotel Olympic from January 3 to January 6, 1955, in the amount of \$44.17, charged to John Sweeney, teamsters, 552 Denny Way?

Mr. CALABRESE. I am sorry?

Mr. KENNEDY. Is there a bill for the Hotel Olympic in Seattle from January 3 to January 6, 1955, in the amount of \$44.17, charged to John Sweeney, teamsters?

Mr. CALABRESE. Correct.

Mr. KENNEDY. And that is 552 Denny Way?

Mr. CALABRESE. Right. Accompanying this bill is, again, the hotel registration made at the Olympic Hotel, Seattle, showing his address as 3711 East Second, Spokane, Wash.

The CHAIRMAN. That may be made exhibit No. 25.

(The documents referred to were marked "Exhibits Nos. 25-A and 25-B" for reference and will be found in the appendix on pp. 392-395.)

Mr. KENNEDY. Do you have a bill for the Hotel Multnomah, Portland, Oreg., January 6 to February 2, 1955, in the amount of \$241.50, registered as the Joint Council of Teamsters?

Mr. CALABRESE. Yes; I do.

Mr. KENNEDY. Do you also have documentation there showing that the entire bill went to the Joint Council of Teamsters?

Mr. CALABRESE. Yes.

The CHAIRMAN. Who paid the bill? What does it show as to who paid the bill?

Mr. CALABRESE. There is the registration of Thomas Maloney, signed city of Seattle, State of Washington, firm: Joint Council of Teamsters. That Joint Council of Teamsters is located, apparently, in Portland, Joint Council No. 37.

(At this point Senator Mundt withdrew from the hearing room.)

Mr. CALABRESE. The records indicate that a check dated February 23, 1955, was made out by the Joint Council of Teamsters, No. 37, Portland, Oreg., payable to the Hotel Multnomah for the sum of \$241.50.

It is signed the "President of the Joint Council, Management, Steele, and the Secretary, R. R. Micksel," \$241.50 being the exact amount of the billing that Mr. Maloney ran up.

The CHAIRMAN. That may be made exhibit No. 26-A, B, C, and as necessary.

(The documents referred to were marked "Exhibits Nos. 26-A, 26-B, 26-C, and 26-D" for reference, and will be found in the appendix on pp. 396-414.)

Mr. KENNEDY. That is while Mr. Maloney was at the Hotel Multnomah and, according to Mr. Elkins, having conferences with him about setting up vices in the city?

Mr. CALABRESE. It was during that period.

Mr. KENNEDY. And that bill, according to the records we have, was paid by the Joint Council of Teamsters?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. Do you have a bill at the Olympic Hotel on January 17 and 18, 1955?

Mr. CALABRESE. I do.

Mr. KENNEDY. That is with Mr. Tom Maloney?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. What firm is listed there as employer?

Mr. CALABRESE. His firm is listed as teamsters.

The CHAIRMAN. That may be made exhibit No. 27.

(The document referred to was marked "Exhibit No. 27" for reference, and will be found in the appendix on pp. 416-417.)

Mr. KENNEDY. Do you have a bill from the Olympic Hotel in Seattle, dated February 22 to February 24, 1955?

Mr. CALABRESE. I do.

Mr. KENNEDY. Did Mr. Maloney at that time register as being with the teamsters?

Mr. CALABRESE. The registration card on this, Mr. Kennedy, is missing, but the folio indicates the notation "Teamsters."

Mr. KENNEDY. Excuse me?

Mr. CALABRESE. The folio indicates, the bill indicates, "Teamsters" under Maloney's name.

Mr. KENNEDY. Was the bill charged to the Western Conference of Teamsters?

Mr. CALABRESE. It was. A check was issued on March 11, 1955, No. 8274, by the Western Conference of Teamsters, in the amount of \$301.20. The \$17.32 makes part of this \$301.20, which the Western Conference of Teamsters paid to Olympic Hotel.

The CHAIRMAN. That may be made exhibit No. 28, with A, B, and C identification as necessary.

(The documents referred to were marked "Exhibits Nos. 28-A, 28-B, 28-C, and 28-D," for reference, and will be found in the appendix on pp. 418-423.)

Mr. KENNEDY. Do you have a bill from the Olympic Hotel for April 13-16, 1955, which is, again, a pertinent period of time in which we are interested, in the amount of \$29.13?

Mr. CALABRESE. I do.

Mr. KENNEDY. Was that bill charged to the Western Conference of Teamsters?

Mr. CALABRESE. That is correct.

The CHAIRMAN. That may be made exhibit No. 29.

(The document referred to marked "Exhibit No. 29" for reference and will be found in the appendix on pp. 424-425.)

Mr. KENNEDY. Do you have the Portland Towers registration?

Mr. CALABRESE. I do.

Mr. KENNEDY. And indicating that Tom Maloney and Joe McLaughlin resided there from February 1 to June 30, 1955?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. And they give as their reference Mr. Clyde Crosby?

Mr. CALABRESE. On the registration card the reference is Clyde Crosby and Phil Brady. However, I might add that this is handwriting, Mr. McLaughlin's name is typed, typewritten below Mr. Maloney's name. The best information I could get from the people that I spoke to at the Portland Towers was that Mr. Maloney had executed this registration card and then inserted the typewritten name, or caused to be inserted, J. P. McLaughlin.

The CHAIRMAN. That may be made exhibit No. 30.

(The document referred to was marked "Exhibit No. 30" for reference and will be found in the appendix on p. 426.)

Mr. KENNEDY. Do you have some papers there from the Park Plaza Apartments in Portland, Oreg.?

Mr. CALABRESE. Yes, I do.

Mr. KENNEDY. Does the application there indicate that Maloney and possibly McLaughlin resided there from June 1 to July 31, 1955?

Mr. CALABRESE. That is correct.

Mr. KENNEDY. Who did Mr. Maloney indicate to be his employer at that time?

Mr. CALABRESE. He listed Mr. Clyde Crosby as employer.

Mr. KENNEDY. And what did he say his position was?

Mr. CALABRESE. He shows his position as business agent, Teamsters Union, Third and Holiday Street, telephone EA-8171.

Mr. KENNEDY. What is that number?

Mr. CALABRESE. That, I believe, was formerly the teamsters' building number in Portland.

The CHAIRMAN. That may be made exhibit No. 31.

(The document referred to was marked "Exhibit No. 31" for reference and will be found in the appendix on p. 428.)

(At this point Senator Kennedy left the room.)

Mr. KENNEDY. That was June 1 to July 31, 1955, which is, again, the pertinent period in which we are interested?

Mr. CALABRESE. Yes. I might add since there was a question about the registration of Mr. Maloney's auto, that he lists under make of car, "Chev '51, Maloney" and then below that "Cad" apparently an abbreviation for Cadillac, "51, McLaughlin."

Mr. KENNEDY. Do you have another registration there on the King Towers, from August 1 through October 1, 1955? That is in Portland, Oreg.

Mr. CALABRESE. That is correct.

Mr. KENNEDY. What does Mr. Maloney list there as his employment?

Mr. CALABRESE. In his application he lists his position as teamsters union, and under the notation of firm he has written "organizer."

Mr. KENNEDY. And that is, again, the pertinent period in which we are interested, August 1 to October 1, 1955; is that correct?

Mr. CALABRESE. Yes.

Mr. KENNEDY. Who does Mr. Maloney give as his references?

Mr. CALABRESE. He lists as his references Lloyd Hildreth.

Mr. KENNEDY. Who was Lloyd Hildreth?

Mr. CALABRESE. Lloyd Hildreth was an official in local 223 of the teamsters.

Mr. KENNEDY. Who else does he list?

Mr. CALABRESE. Clyde Crosby.

Mr. KENNEDY. What was Clyde Crosby's position at the time?

Mr. CALABRESE. I believe at the time he had a position that he holds now, international organizer.

Mr. KENNEDY. And Mat Ryan?

Mr. CALABRESE. And Mat Ryan, who was described to us as an acquaintance that lived in King Towers at the time.

Mr. KENNEDY. Did you subpoena the telephone company records?

Excuse me, could we have that made an exhibit?

The CHAIRMAN. That may be made exhibit No. 32.

(The document referred to was marked "Exhibited No. 32" for reference and will be found in the appendix facing p. 429.)

(At this point Senator Goldwater left the room.)

Mr. CALABRESE. I might add that in the King Tower apartment records, there is a letter dated October 5, 1955, to the manager of the King Tower apartments, stating:

Am being transferred to Los Angeles November 1, and I am giving you notice that I am vacating. I have enjoyed this apartment very much, and the people that you have working in this house have been very kind.

I am, as ever,

Tom, Apartment No. 502.

The CHAIRMAN. That may be made exhibit No. 33.

(The document referred to was marked "Exhibit No. 33" for reference and will be found in the appendix on p. 431.)

The CHAIRMAN. The Chair is advised by counsel that some of this can be finished up in the morning. Since we would like to have as many members of the committee present when we are taking testimony as possible, I am going to recess until tomorrow morning. It is very difficult for members of this select committee to accommodate themselves to all meetings and stay here all the time. But we do find sometimes that we do not necessarily make progress by trying to run on when there are so many members absent, because we have to cover the same territory again.

We labor under these handicaps, handicaps that are beyond our control, because the Senate is in session, and the Senators have other business, other duties, besides their attendance at this select committee.

I may say for the record that Mr. Maloney, who testified yesterday, has not been excused as a witness, and he will be recalled. I want to recall him to give him an opportunity to refute this, admit this, or take the fifth amendment, whatever he wants to do. I want to be fair to him. We did not have this in the record yesterday. Since he is still here, he will be recalled and given an opportunity to refute it or explain it, whatever he wants to do.

The committee will stand in recess until tomorrow morning at 10 o'clock.

(Present were Senators McClellan and McNamara.)

(Thereupon, at 4:27 p. m., the select committee recessed, to reconvene at 10 a. m., Thursday, February 28, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, FEBRUARY 28, 1957

UNITED STATES SENATE, SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adlerman, assistant counsel; Alphonse F. Calabrese, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Present at the convening of the hearing were Senators McClellan, McNamara, and Goldwater.)

The CHAIRMAN. Senator Kennedy has advised the Chair that it will not be possible for him to be present this morning at this session of the committee because he is holding hearings and is chairman of a labor subcommittee, holding hearings on the extension of the minimum wage coverage bill. We regret that he cannot be with us.

Some of the other Senators cannot be present. Senator Ervin, I believe, is also holding hearings of another committee. Senator Ives is ill today and unable to be present.

Some of the others will be here a little later, but we have a quorum, and we will proceed.

Your first witness, Mr. Kennedy.

Mr. KENNEDY. Mr. Stanley Earl.

The CHAIRMAN. Mr. Earl, will you come around, please.

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. EARL. I do.

TESTIMONY OF STANLEY W. EARL

The CHAIRMAN. Mr. Earl, will you state your name, your place of residence, and your business or occupation, please, sir?

Mr. EARL. My name is Stanley W. Earl. I reside in Portland, Oreg., and I am an elected city commissioner of the city of Portland.

The CHAIRMAN. How long have you served in that capacity, Mr. Earl?

Mr. EARL. I was reelected for a second term beginning January 1, 1957. Each term is 4 years.

The CHAIRMAN. You have discussed your testimony with members of the staff, have you?

Mr. EARL. Yes, I have been interrogated by members of the staff.

The CHAIRMAN. You know generally the line of interrogation that is expected?

Mr. EARL. I do; very well.

The CHAIRMAN. You also know the rules with respect to your right to have counsel present, and do you waive counsel?

Mr. EARL. I waive counsel and I will not invoke the fifth amendment, and I will answer any and all questions put to me publicly.

The CHAIRMAN. Thank you.

Proceed Mr. Counsel.

Mr. KENNEDY. Mr. Earl, could you tell the committee a little bit about your background, particularly as it applies to the labor union movement in the country?

Mr. EARL. Yes. I am happy to.

I first joined a labor union in 1936, the Lumber Sawmill Workers, AFL. On August 14, 1937, by a referendum vote in the Northwest, we disaffiliated from the carpenters and joiners, and became a local union of the Committee for Industrial Organization. At that time I became active in the Lumber and Sawmill Workers Union, CIO, and I was elected a shop steward, a member of the executive board, and in 1938 when the jurisdictional trouble occurred in the Northwest between the CIO and the AFL I was sent to San Francisco to investigate a lumber boycott on behalf of the union. The date was February 22, 1938.

The reporter that covered that episode was Mr. Herbert Lundy, who is today editor of the Portland Oregonian.

In 1939 I became a vice president of the local union in Portland. In 1940 and 1941 I was elected president of Local Union 5-3 in Portland, and in the latter part of May of 1942 I was elected business agent and financial secretary of local 5-3. In 1943 I was asked to run for executive secretary of the State CIO organization in Oregon, and I was elected from 1943 until 1949. In September of 1949, at the request of the Government and the combined labor organizations, I went to Korea as a special assistant to the American mission with the rank of Foreign Service officer grade 2, and I was a special assistant to Dr. Bunche, the chief of the American mission, as labor adviser.

I stayed there until 3 days after the outbreak of hostilities. I resigned from the ECA and I went to work for the State tax commission, fraud division, in the State of Oregon. I worked for 18 months there.

I then ran for city commissioner in 1952 and I was elected and I ran again and was elected again.

I have served on the War Labor Board, the California Opinion Panel, the regional War Manpower Commission, and various other activities allied with organized labor in my career.

I took a withdrawal card from the International Woodworkers of America when I returned from Korea and went to work for the State tax commission. I joined and became a member of the State County

and Municipal Employees Union in Portland, Oreg., and I am a member of that organization at the present time.

Mr. KENNEDY. Commissioner Earl, when you ran for public office, Commissioner, were you supported by the teamsters union?

Mr. EARL. Sir, I have never been supported by the teamster officials. I have been supported heartily by the rank and file of the teamster organization, and of all organized labor in the city of Portland.

Mr. KENNEDY. Were you told prior to the last time that you ran as commissioner, that you were going to lose the support of the teamsters union, or teamster officials?

Mr. EARL. I was told by Mr. Clyde Crosby.

Mr. KENNEDY. Who is Mr. Clyde Crosby?

Mr. EARL. He was the international organizer for the teamsters in the State of Oregon, having succeeded John J. Sweeney. Mr. Crosby, in a conversation with me on approximately May 18, 1955, among other things told me that if I did not support pinball legislation, licensing those devices, I would have the opposition of the teamsters in the election in 1956. They did give me opposition.

Mr. KENNEDY. What had been your position on pinballs? Would you describe that to the committee?

Mr. EARL. Well, if I might, to help the committee a little bit—

Mr. KENNEDY. Would you first tell us a little bit about pinballs?

Mr. EARL. That is what I would like to do. In the first place, as I said, I became a member of the city council in 1953. In July of 1951 pinball devices in the city of Portland were outlawed by city ordinance. The exact language of the ordinance which outlawed those pinballs said, "Coin in the slot operated devices." That was in 1951. When that was passed by unanimous vote of the Portland City Council, the pinball operators, through Mr. Terry, the largest distributor, appealed that case to a three-man panel of judges in the Circuit Court of the State of Oregon, county of Multnomah.

By a 2 to 1 vote, the judges ruled that the city did not have the authority to write that into the police code.

The city then appealed to the Oregon Supreme Court. The Oregon Supreme Court eventually, after several years, upheld the validity of the 1951 ordinance. The pinball operators then made an appeal to the United States Supreme Court, and the United States Supreme Court refused to review the case, and a mandate was finally handed down to the Oregon Supreme Court and down to the county of Multnomah and then down to the city of Portland. The next thing that occurred was that the pinball operators then changed their devices. The ordinance had said, "Coin in the slot operated devices," and they took the coins in the slot off and they said that while these are the same pinball machines, the law does not apply to them.

When that occurred an ordinance was introduced in the city council which banned all pinball machines; whether they were coin operated was immaterial. They were banned.

The ordinance was passed by a majority vote of the city council, and the teamsters organization, through Mr. Clyde Crosby, then circulated petitions and the police action of the ordinance was held up because the necessary amount of signatures were obtained. That went to the election in May of 1956, and the people overwhelming upheld the ordinance.

The next thing that occurred, in 1956 the pinball operators in conjunction with the teamsters organization then passed petitions around which put on the ballot a measure which would legalize pinball machines. That measure was defeated by the people in Portland by over 45,000 votes.

As of today, pinball machines are illegal in the city of Portland.

Mr. KENNEDY. What is the reason that they are illegal?

Mr. EARL. The reason they are illegal is because they are characterized generally by the public as gambling devices, which they are.

Mr. KENNEDY. For what reason were the teamsters so interested in having them legalized?

Mr. EARL. I will have to go back a little bit. They will have to explain their reasons.

I made several statements at the time.

Mr. KENNEDY. Are a great number of employees involved?

Mr. EARL. No, there are not. I don't think that there are over 100 altogether. I believe it was on December 20, 1954, that Clyde Crosby called on me in my office in relation to an amendment to the punchboard ordinance in the city of Portland. When he lobbied me on that particular measure, he told me that they had no interest in pinballs, and I assumed the reason that he said so was because he knew I had been fighting pinballs since April 28, 1954. That was the day that I moved in the city council for suspension of the rules and to file and give no further consideration to an ordinance which I had up until that time supported.

Commissioner Bows and I in that week, after the hearing went out and played pinballs, and we had the hearing, and I recalled distinctly one lady who got up there and told about her husband losing his paycheck and he was a railroad worker, and we did not take action on the ordinance that day.

We asked for a week's postponement, and the next week, which was April 28, I did move and the motion was successful, and the legalizing ordinance was filed and given no further consideration. I said at the time that I could not conscientiously support that legislation after finding out what I did about pinballs. I might say that the Oregon Daily Journal editorialized at some length and spoke highly and glowingly of Commissioner Earl and Commissioner Bows for changing their minds.

Now then, the teamsters came into pinballs as far as I was concerned actively, sometime in 1955. I was asked to change my mind on several occasions because I did become an ardent foe of those devices. I was called upon by Mr. John Deines and Mr. Lloyd Hildreth—

Mr. KENNEDY. Who are those gentlemen?

Mr. EARL. Mr. Deines is secretary and representative of the sanitary drivers.

Mr. KENNEDY. That is, of the teamster union?

Mr. EARL. Yes; and Mr. Hildreth was business agent of miscellaneous local 223, who apparently had jurisdiction on pinballs in the city. Incidentally, both of those men are personal friends of mine.

Mr. KENNEDY. How do you spell Mr. Deines?

Mr. EARL. D-e-i-n-e-s.

Mr. KENNEDY. That is not Mr. Dunis?

Mr. EARL. No, sir.

Mr. KENNEDY. That is Mr. Deines of the teamsters union?

Mr. EARL. Mr. Deines; that is right.

They asked me and said that they had called on me at the request of the international representative, Mr. Crosby, and we talked and we argued, and I told them that I would not change my position. And they departed. I was next asked to attend a luncheon meeting with Clyde Crosby as his guest, and the date, I believe, was May 18, 1955. At that luncheon meeting he first invited me to go to Seattle to meet some of the boys, and I refused that invitation.

The CHAIRMAN. Did he name the boys?

Mr. EARL. No, sir; he did not. I have a fair idea.

The CHAIRMAN. Why would he want you to leave Portland to go to Seattle to talk about pinball ordinances?

Mr. EARL. Well, sir, he did not ask me, and he did not intimate that I was to go to Seattle to talk about pinballs. I was to get acquainted.

The CHAIRMAN. That was in connection with his lobbying for the pinball legislation, was it not?

Mr. EARL. Well, the lobbying will come in just a couple of minutes.

The CHAIRMAN. All right; go ahead.

Mr. EARL. This has a certain sequence. The next thing that he asked was if I were interested in running for mayor of the city of Portland, and I assured him I was not. He told me that they were going to support Fred Peterson for mayor in this last election, but he was speaking now of, apparently, 1960. I told him that I had no interest in that.

Finally, our conversation was interrupted by the appearance of Mr. Al Hartung, president of the International Woodworkers of America, that is, international organization, with headquarters in Portland. Incidentally, he was also a member of the National CIO executive board.

I introduced Mr. Hartung to Mr. Crosby and Mr. Hartung left.

The conversation was further interrupted by Mr. Drugas coming to our table and asking a question about the building code in the city of Portland, and after he had left Mr. Crosby told me then, I am going to use the language almost verbatim, and it will be awful close: After these financial things I had failed, he said I have a message for you from John Sweeney, and he said he had seen John in San Francisco at the Don Cockell-Marciano fight, for the world heavy-weight championship, and that was held on a Monday, and I think the date was May 16. Had it not been his mention of the Cockell-Marciano fight I frankly could not have placed the date a year later. The message was that I either supported pinballs or I would have political opposition. Now that was a year before the primaries. It was almost a year to the day before the May primaries of 1956.

I refused that. He had before the council a letter; Crosby had a letter before the city council asking for a rehearing on the pinball issue, and it was over that that he had the luncheon with me. I told him that I would not vote for reconsideration. As a matter of fact, when the letter came on the calendar, before the Portland City Council, I moved that it be filed and given no further consideration because we had had pinballs kicking around now since 1951. This was a meeting that was held. He met with me on, I believe, May 18, 1955, and I think on May 19, 1955, was when I moved that his petition be filed.

From then on I got the opposition of the Oregon Joint Council of Teamsters, and their newspaper, and various and sundry other per-

sons allied with them. I will say the Oregon coin-machine men, the tavern operators, and they went out in a rather wholehearted manner to put me out of the commission.

(At this point Senator Mundt entered the room.)

The CHAIRMAN. Did you ever learn what their interest was in the pinball project, and did they tell you what interest they had in it?

Mr. EARL. Well, yes. The reasons always given were that it was to organize the industry.

The CHAIRMAN. To organize?

Mr. EARL. Yes, sir.

The CHAIRMAN. You said they only had about 100 employees.

Mr. EARL. I don't know whether they had that many or not, Senator.

The CHAIRMAN. They did not have any large number of employees.

Mr. EARL. Certainly not.

The CHAIRMAN. They only gave you the reason that they wanted to organize them.

Mr. EARL. Well, what happened apparently was this: They did organize the industry and I think that they had to deliver and the thing they had to deliver was the legalization of pinballs in the city of Portland. Now, we have a 5-man city government, and we are a chartered form and we have a mayor and 4 commissioners. It takes 3 votes to pass anything in the city of Portland. They just didn't have 3 votes.

Now, then, I have a background of labor, and I am assuming that they possibly thought they had a champion here and that I would change my mind. But the thing that has always struck me is this: While I was fighting them the hardest, the teamsters were not in the pinball-organizing business. They did not go in until sometime, I believe, in 1955. I could be mistaken on the dates, but I think that is about the time.

The CHAIRMAN. Prior to that time, although you had been in the fight since 1951 or 1952, prior to 1955 they had never manifested any particular interest in the pinball operations?

Mr. EARL. I will have to correct you. I did not become again a member of the council until January of 1953, and the original ordinance was passed in July of 1951. They did not, to my knowledge, exhibit any particular interest in legalizing pinballs until sometime in, I would say, early 1955.

Now, then, there was mentioned here yesterday about a punchboard ordinance, and I think in fairness to the City Council of Portland, sir, that I could explain the amendment to the punchboard ordinance that was passed.

Senator McNAMARA. Before you leave the pinball operation, I would like to ask a couple of questions. Were pinballs ever legal in the city of Portland?

Mr. EARL. Pinballs were licensed in the city of Portland until, I believe, July of 1951, and they had operated continuously in the city of Portland from, I would say, 1935, but in 1951 they were outlawed.

Now, then, they were taxed. Pinballs were taxed by the State of Oregon, a \$50 tax, and not a license, but a tax. They were taxed by the Federal Government \$10. But they were not licensed. That was strictly a tax put on by the State for revenue purposes.

Now, on the punchboard amendment——

Senator McNAMARA. I am not quite ready to leave the pinball operation.

You indicated that during the period when they were legal, some lady came before your city commission and complained that her husband had lost his week's pay. Was that in that period that you mentioned?

Mr. EARL. Sir, that date was May 18. No, that was about April 17 or 18, of 1954.

Senator McNAMARA. Then it would not be in the period when they were legalized?

Mr. EARL. You see, they were not legal, but through the appeal to the Oregon Supreme Court and thence to the United States Supreme Court, the city was enjoined from exercising its police power under the 1951 ordinance. Then after the validity of that ordinance was upheld, then the pinball operators said the ordinance applies only to "coin in the slot," and so they passed over the "coin in the slot" and we had to start all over again.

So again the next thing was the introduction of an ordinance which outlaws pinball machines. I was the author of that ordinance.

Senator McNAMARA. Your efforts were always to keep the machine from becoming legal by city ordinance?

Mr. EARL. No, sir. At one time I was heartily in favor of licensing pinball machines and getting the revenue.

Senator McNAMARA. This was before you became a city commissioner?

Mr. EARL. No, sir, this was while I was a city commissioner.

Senator McNAMARA. Then you changed in the middle?

Mr. EARL. Yes, in one week's time I changed completely.

Senator McNAMARA. Well, is it not true that generally racket organizations are putting up a fight to keep things like this illegal rather than legal? This is an unusual circumstance where the people that are presumed to be racketeers are trying to legalize the operation. That is quite the reverse of what we usually get, is it not, in a racket operation?

Mr. EARL. If they weren't licensed by the city, they could not operate.

Senator McNAMARA. Well, there are many things that are not licensed that operate.

Mr. EARL. I know, but these are so evident. Sir, when you have 2,200 pinball machines in a city with 400,000 population, they are rather dense, and that is what we had.

Senator McNAMARA. I understand then that the efforts of the teamsters officials were to legalize the machines?

Mr. EARL. That is exactly what they were, they were to legalize and have a license fee attached.

Senator McNAMARA. Thank you.

Mr. KENNEDY. Now, you had supported pinballs up until April of 1954?

Mr. EARL. I supported pinballs, Mr. Kennedy, until April. I might as well give you the exact date.

Mr. KENNEDY. The middle of April, that is all right.

Mr. EARL. It was April 28, 1954.

Mr. KENNEDY. And you switched at that time because of the testimony before your committee?

Mr. EARL. I did. Here is exactly what I said, if I may be permitted to. This is in the Oregonian of that date. It says:

Two of the city council's former champions of legalizing pinball machines effectively outlawed them Wednesday by council action dropping a proposed ordinance to license them. They indicated they feel differently about them.

It continues:

"My personal observations," Commissioner Stanley Earl told a morning Council session, "make me say that I could not in all consciousness now vote for this ordinance."

Earl, who several times suggested licensing pinball machines while the 1951 ordinance was held in abeyance in the courts, said he has been one of the most vehement champions of the right of persons to play pinball machines. "I believe it is an obligation of a city official to do what he believes right. I was doing what I thought right, and I am now personally convinced that the best interests of the city of Portland require the abolition of pinball machines."

Mr. KENNEDY. Had you offered the ordinance in 1951 to legalize pinball machines?

Mr. EARL. What is that?

Mr. KENNEDY. Had you offered the ordinance?

Mr. EARL. I was not a member of the city council in 1951.

Mr. KENNEDY. Now, there is a statement filed with the committee by Mr. Clyde Crosby, who will be a witness, and some of the questions he raises about your veracity are these:

One of the things he states is that—

Shortly thereafter, City Commissioner Stanley Earl, who had originally in 1951 offered and supported an ordinance to permit the licensing of pinball machines in Portland, began a strong and strenuous attack upon the pinball industry in the city.

Were you in the city council at the time?

Mr. EARL. No, sir; I was not.

Mr. KENNEDY. Had you offered that ordinance in any way?

Mr. EARL. No, sir. There was no proposal before the city council in 1951 to license pinballs. The proposal passed was to outlaw pinball machines.

Mr. KENNEDY. Now another point that is made in this statement is that you started your attack upon pinballs soon after Mr. Elkins had disposed of his financial interest in that industry.

What is the explanation of that?

Mr. EARL. Well, sir, I think the record will have to speak for itself. I don't know the exact date that Mr. Elkins leased his routes to Mr. Terry, but I can tell you again that my continued and hearty opposition to pinballs came April 28, 1954, and I believe the record will indicate that Mr. Elkins and Mr. Terry became business associates around July 31 of 1954. I am not positive but I think it was sometime after that.

Mr. KENNEDY. Rather than before?

Mr. EARL. Yes; and I want to say that that part, or the inference there is completely and wholly false and malicious.

Mr. KENNEDY. There is a statement in here, also, that you formed a club, called the Bourbon and Ham Club, and I had better read it:

There is in Portland a club known as the Bourbon and Ham Club of which a goodly number of newspaper people are members. For these functions, Commissioner Earl furnishes plenty of liquor and food free of charge to the members of his club. In addition, suitable insignia pins were made available for the members to wear if they so desired. Reliable reports strongly indicate that

the cost of underwriting this type of thing was borne by Mr. Dan Tombs, and Mr. James B. Elkins. Two of the people whom I believe to be quite prominent in this club and the Press Club, are William Lambert and Wallace Turner, who jointly, along with Mr. Elkins, are my chief accusers.

That is by Mr. Crosby.

Mr. EARL. Well, let me sink that one.

Mr. KENNEDY. Will you tell about the Bourbon and Ham Club?

Mr. EARL. Yes, sir.

Mr. KENNEDY. Is that all paid by Mr. Elkins?

Mr. EARL. No, Mr. Kennedy. If you will allow me I will show you where it comes from.

Mr. KENNEDY. I am just reading this, Mr. Earl. I am trying to get the facts.

Mr. EARL. I am going to give them to you.

I have here, Mr. Kennedy, my sworn financial statements for the city of Portland for 1952 election and the 1956 election. Incidentally, there were no contributors on here from either the teamsters organization or any gambling interests in the city of Portland.

As to my committee, the Earl Campaign Committee, the treasurer of that is the president of the First National Bank of Portland, a Mr. C. B. Stevenson. He is my treasurer.

We had contributions of \$828.07, and that was in the primary election of 1952. There were 10 persons running for office, and I was nominated, and I won in the general election by 95,000 votes.

Now I want to get to the B. & H. Club.

Now, in 1952, in the general election again, we had contributions from various sources of \$900 for my campaign, and we spent \$764.44. Here is a sworn statement of Mr. Stevenson, my treasurer. The balance between \$764.44 and \$900, financed what became known as the B. & H. Club. My campaign headquarters cost \$25. They were over the Oregon Oyster Loft Restaurant in Portland.

When the campaign was done, and I might say it was not a regular political campaign in the sense you go out and make speeches and you have ads and all of that. But when it was done we had this balance left, and I invited the headquarters, in 1952, I invited members of the press of the city of Portland. From the Journal, the Oregon Daily Journal, these are the members of the B. & H. Club. We had bourbon and we had ham, and that is why it became the B. & H. Club. The pins which are spoken about were purchased from Roadway Jewelers in Portland, Oreg.—I checked this last night—for 79 cents apiece, and we had 24 of them. They were little brass pins with "B. & H." on them.

From the Oregon the members are: John White, City Hall reporter; Doug McKean, editor; Stan Weber, labor-management reporter; Harry Leeding, city editor; Dick Fagan, editorial writer; and Jack Pement on the city editorial staff; George Pasero, sports editor; John Finch; Jim Irvine; and George Bertz; Al Gould; Walter Mattilla; Hal Layman; Les Cour; and George Horner; Bob Fassett; Art Chenoweth; Harry Feneal; and Jim Running. That is the Journal. These men are all loyal members of the B. & H. Club in the city of Portland.

From the Oregonian there is George Spagna; Paul Hansen; John Armstrong; Mervin Shoemaker, the political editor of the paper; Herbert Lundy, the editor; and Al McCready, associate editor; and Keith Hansen on the city desk; and Bob Webb; Bill Hulen; Dick

Nokes; Jalmar Johnson; Herman Edwards, the military editor; and Malcolm Bauer; and Harold Hughes; and also Russ Sackett of Time-Life in Seattle; and George Brown, the State director of the AFL-CIO in Oregon; and Al Hartung, President of the International Woodworkers of America; and Ron Moxness, who was then the editor of the Oregon Teamster and was forced to resign; and Sam Wilderman, the lawyer. We had one lawyer in there.

Now then we have had six meetings since 1952 and every single cent has come out of the Earl Campaign Committee. Whatever the balance was in the last election, we had receipts I think of \$1,097 and we spent \$696.40. That was when the teamsters said they were going out to retire me. We had quite a balance left over, and I think we had two meetings in 1956. One was for the primary, and one in the general election. Those were financed from the Earl Campaign Committee, and Mr. C. B. Stevenson, president of the bank wrote the check, and not Mr. Elkins.

The CHAIRMAN. I understood you to say in your campaigns, that not a dollar was received from either the labor interests or the gambling interests.

Mr. EARL. No, sir; I said not a dollar was received from the teamsters organization or from any gambling interests. I did receive contributions from bona fide labor organizations, and I have the list right here.

The CHAIRMAN. I misunderstood you. You said that you had received none from the teamsters, and nothing from gamblers.

Mr. EARL. I did not; neither one.

The CHAIRMAN. According to your testimony, no gambler, recognized as such, financed any luncheon or anything else?

Mr. EARL. No, sir, no gambler has ever financed any luncheon of the B. & H. Club. We have had six meetings, and we don't have a secretary and we don't have a president and we don't have any books. What it is is newspapermen, they come and they drink all of the bourbon they can, and they eat all of the ham they can and then they play poker, and it is held in the Press Club in Portland, Oreg.

The CHAIRMAN. Proceed.

Mr. EARL. I might say that Mr. Lambert has only been to one meeting of the B. & H. Club, and he is not a very loyal member.

Mr. KENNEDY. Then the statement that he is a very loyal member and one of your most prominent members is not true?

Mr. EARL. He is prominent now, Mr. Kennedy.

Mr. KENNEDY. Now, Mr. Earl, going back just briefly, you said that Clyde Crosby came to you and said that unless you supported this pinball ordinance the teamsters were going to oppose you?

Mr. EARL. That is correct.

Mr. KENNEDY. That had come from John Sweeney?

Mr. EARL. He said that the message was from John Sweeney.

Mr. KENNEDY. Did the teamsters oppose you after that?

Mr. EARL. They certainly did.

Mr. KENNEDY. Did they contribute to the campaign of your opposition?

Mr. EARL. Yes; there were six candidates in the field, and the teamster organization sponsored the county auditor, Mr. John J., Jack O'Donnell, and they contributed, and I think maybe you have it on file, four thousand seven hundred and fifty dollars-and-some-odd

cents. They had billboards and they had TV and they had radio and they had throwaways and they had a newspaper.

The CHAIRMAN. What are "throwaways"?

Mr. EARL. That is dodgers. I don't know what they are. All I had was myself.

Mr. KENNEDY. Now, there also had been a paper circulated among members of the committee, about certain difficulties that you have been in with the law, Mr. Earl?

Mr. EARL. Sir, would you identify the paper?

Mr. KENNEDY. Well, it is a yellow sheet here, and it says, "Oregon Journal's analysis of the vice situation in Portland," and that has been furnished to certain members of the committee. In it, it makes some statements about you being indicted and getting into fights when you were in the union, and would you explain that?

Mr. EARL. I will be very happy to. I was arrested in 1942 in the city of Spokane at the International Convention of the IWA. In 1942 we were having quite a fight with the Communist control of our international organization. The president at that time was Mr. Harold J. Perchette. We were from what we called the Columbia River district, and when we moved into the convention it was like an armed camp. The Communists were in the organization fighting for a resolution to open a second front, to apparently take pressure off of Russia. We from the Columbia River, and the various other local unions opposed that, and opposed it hard. We were not going to be made a tool of the Communist Party for purposes of propaganda. On the floor of that convention a fellow traveler, or a Communist, at least I will say he is a Communist, he called myself and several others red-baiting rats from the Columbia River.

Mr. KENNEDY. What was his name?

Mr. EARL. His name was Dennis Dyer, and if you have got facilities you might look him up, and I think that you will find he is a member of the party.

When he let that go, I must confess I was a little warmheaded, and on occasion I still am. I called on Mr. Dyer and I paid him my respects. I was arrested, and I received the thanks of various and sundry local unions for upholding the honor and dignity and the prestige of the Columbia River woodworkers against the party. That was that incident.

In 1939, on May 5, 1939, I was one of the persons named, and I might as well read it to you because this is authentic and I will just read a portion of it. This is from the Oregonian of May 5, 1939, and it says:

PICKETS INDICTED UNDER LAW

Grand jury accused 21 of ignoring State ban on dock. Arrests made for alleged contempt of court.

It says—

First court test of chapter 2 of Oregon's new law regulating picketing was launched here Thursday, with the indictment of 21 men charged jointly with unlawful picketing of the steamer *Vernar* of the Marcalmar Lines—

and I was one of the 21 persons named.

And as a result of that court test the Oregon antipicketing act was declared constitutional.

That is the only time, sir, I have ever even been in semidifficulty with the law.

Now, that picketing law came about because of the goon activities of the teamsters union in Oregon. When I say that I mean the burning down of the West Salem Box Factory for which their Secretary Al Rose was sentenced to 12 years in the Oregon State Penitentiary, and the bombing and dynamiting of the Drill Dry Cleaning Works in Portland, Oreg., around 1938, and the bombing of the Bear Tavern out at Hillsboro, Oreg., and the acid spraying of over 200 cars by members of the teamsters organization, and various and sundry other acts.

The CHAIRMAN. Did you oppose those activities?

Mr. EARL. Sir, I didn't only oppose them, I was in the middle of them. I was CIO, and we were fighting for our lives at that time. Yes, sir. I did oppose them.

Senator McNAMARA. May I ask the witness how many members are on the commission or council which you referred to?

Mr. EARL. Of the city of Portland, there are 5; mayor and 4 commissioners.

Senator McNAMARA. Is it a paid job to be a member?

Mr. EARL. Yes, it is a full-time paid job and there is a constitutional bar to any outside employment or remuneration.

Senator McNAMARA. What is the salary?

Mr. EARL. I get \$10,080.20 a year, and the mayor gets \$11,800.

Senator McNAMARA. Thank you.

The CHAIRMAN. Are there any further questions? Do you have anything else you wish to say?

Mr. EARL. Yes, on that document that you have there, Mr. Kennedy, I think that a person should be allowed to face his accuser, and to know the source of certain things. I read that last night for the first time and it is completely scurrilous, and if you desire, sir, to ask me any questions out of there or anyone does, I want to give the answers. I think it is highly prejudicial to my interests. I want to tell you I am 47 years of age and I have resided in Portland all of my life, and I have 3 children, and I have a daughter 15 going to high school, and a boy 4, and I have a daughter 7 going to grammar school. My mother and father are living in the city of Portland, and they are elderly, and my brother is a member of the Oregon State Police and he has been for 20 years.

I think that I am a respected citizen, and I have the confidence of the people of Portland.

But that document there is entirely unfair, and certainly I do believe it needs to be identified. I was completely amazed at a responsible newspaper that would do anything like that without at least calling me, a public official, and saying, "Are these things true?"

It is reminiscent of Mr. Crosby's statement of which I have read, and I think that was composed by a man who is very close to Tom Maloney. Yes, sir, I think that was composed by Brad Williams, of the Oregon Journal, and I think, or I know he is the man who was able to get to Mr. Tom Maloney when the State police couldn't find him and I think that he wrote his confession for him.

I resent it very much as an official and as a citizen.

The CHAIRMAN. The Chair has not read it. You have read this document, have you?

Mr. EARL. I certainly have.

The CHAIRMAN. Is there any further statement you wish to make about it?

Mr. EARL. Not unless it is prejudicial through some of the Senators. There are some statements in there that are so libelous that certainly action will have to be taken.

The CHAIRMAN. I notice the statement is not signed.

Mr. EARL. I think that I have a right to have that identified, because it certainly mentions me.

The CHAIRMAN. Insofar as we can, we are glad to identify it because it is not signed. I do not know how it was received. Can you tell us how it was received?

Mr. KENNEDY. I was given it by a Senator who had received it. Again I do not know what the sequence is. The Senator is not present and the man who sent it up is present, and it was another newspaperman. Maybe he would like to give an explanation.

Mr. EARL. If I may say so, the other evening, Tuesday evening, I had a telephone call from a man who identified himself as Jack Anderson, with Drew Pearson. I did not believe that it was a Mr. Anderson, and he engaged me on the telephone conversation relating apparently to certain parts of that document. At that time I had not seen it. I made some facetious statements to him, and in fact I told him he was a phony, and he was a fraud, and I said, "You are not Jack Anderson," and he kept saying, "I am; call me back." And while I was talking to him I tried to get the telephone call traced and I could not do that, and I didn't know until yesterday afternoon.

I called my home in Portland, and talked to my wife, and I asked her if I had any calls and she said, "Yes; you had a call from Washington, D. C., and I told him you were staying at the Carroll Arms in Washington," and I felt pretty sick because that happened to be Mr. Anderson that had called my home in Portland, and my wife had given him my phone number here. I might say to Mr. Anderson, wherever you are, I apologize for saying you are a phony and a fraud, but I did not believe it was you and I hadn't had the opportunity of reading this document that I had last night.

So again, wherever you may be, I express my apologies.

Mr. KENNEDY. Did you tell Mr. Anderson you were in business with Mr. Elkins?

Mr. EARL. He apparently mentioned some of this out of, I believe, this document, or the other one. I said, "Yes; we made between 3 and 4 million dollars last year." Last night I got a little bit ill, thinking about some of the things I told Mr. Anderson, because that column is circulated in the city of Portland through the Oregon Journal. Needless to say, internal revenue will prove I did not.

Senator GOLDWATER. Mr. Earl, when you read this and noticed it was called the Oregon Journal's analysis of the vice situation in Portland, did you contact the Oregon Journal to see if the owners or editors of that paper identified themselves with this statement?

Mr. EARL. No, sir; I did not. I am certainly going to, though.

Senator MUNDT. Mr. Earl, I got a little lost in the colloquy. This newspaper article, is that the one that Mr. Anderson was quoting to you from or was that the one he wrote?

Mr. EARL. I would take it, not having had the benefit of reading it when I talked to him, but having read it later, that apparently what they were doing was to try and establish a connection between Mr. Elkins and myself.

I might say, sir, that in the city of Portland I closed some of Mr. Elkins' establishments.

Senator MUNDT. That is not quite responsive to my question. I had not seen or heard of this article until this morning and I was not clear from your earlier testimony about a telephone call, whether this article was something which you felt that Mr. Anderson had written.

Mr. EARL. No, sir.

Senator MUNDT. Or it was something he had in his possession and he was asking you questions about?

Mr. EARL. I don't think Mr. Anderson had anything to do with writing it; but the questions on Mr. Elkins he posed to me were this—for instance on pinballs, along this line:

Why did you fight pinballs after Elkins got rid of his business? Which is completely untrue. I didn't. Those things appeared to me to either have come out of the Crosby letter which he has submitted or out of this.

But no, Mr. Anderson I don't think would have anything at all to do with anything as scurrilous as that.

Senator MUNDT. I wanted to find out.

Mr. EARL. I am sorry again I talked to him the way I did.

The CHAIRMAN. I think that you have already stated it, but have you ever had any business relations in any way whatsoever with Mr. Elkins?

Mr. EARL. No, sir; I have not.

The CHAIRMAN. All right.

Mr. EARL. Nor with his brother, Fred.

Mr. KENNEDY. There is a statement in there about the fact that you wrote a letter to the Governor of Arizona, I believe, in 1947 and 1948, asking for a pardon for Mr. Elkins.

Mr. EARL. Yes, sir; that is the only part of the entire document that is true, as far as I am concerned.

Mr. KENNEDY. Did you do that?

Mr. EARL. Yes; I did. In 1948, in the summer of 1948 I was asked by the former chief of police, who was then the inspector of police, and his name was Leon V. Jenkins, if I on behalf of organized labor would send a letter which was a "To whom it may concern" letter to the Arizona Board of Pardons and Paroles.

Mr. Hartung, then CIO director for the State of Oregon, also was requested and this was a joint request, and Inspector Jenkins then sent to my office a Portland detective with a suggested letter. In that letter I said that I knew Mr. Elkins and I knew his family. I did not and I didn't know whether he had 1 wife or 2 wives or children.

That letter was sent and here was why: Jenkins said that the man deserved consideration. What the consideration was, I do not know. But I was told this, and this is true, that the Governor of the State of Oregon, a captain of police, and a judge were all sending in a letter to the Arizona board for a restoration of his civil rights.

I was told that Elkins had been in trouble in 1932 or 1931 in Arizona and he had been out of the penitentiary for 16 years and this was for restoration of voting rights.

After consultation with Mr. Hartung, we decided I would send the letter as CIO executive secretary, and I was told that they needed a letter from organized labor. I did send the letter. That, incidentally, is the only part of that thing that is true.

Senator McNAMARA. You say that you sent this letter on behalf of organized labor. Were you authorized by the rank and file meeting to do so?

Mr. EARL. No, sir; and I did not state in the letter that it was on behalf of organized labor. I sent it as a citizen but not with any suggestion in there that organized labor was taking any part in that particular thing.

Senator McNAMARA. Your statement that you sent it on behalf of organized labor was erroneous.

Mr. EARL. Yes, sir. The implication, when you get a letter from a labor organization or secretary of a labor organization, is that here is a person from labor who along with the Governor of the State, a judge, and a police captain, an inspector, and the chief of police, I believe, were interested in this particular party.

Incidentally, that is not the only letter I have ever sent for persons who are inmates of State penitentiary. I think that I have sent six on various occasions, at the request, some of the prison associations and this one did come from the inspector of police in the city of Portland.

The CHAIRMAN. Mr. Earl, the Chair is advised by counsel that it is not likely we will need any further testimony from you and so, therefore, you may be excused.

Mr. EARL. Thank you very much and I will be very happy to come if you want me.

The CHAIRMAN. All right, Mr. Elkins, be seated.

TESTIMONY OF JAMES B. ELKINS—Resumed

(Present at this point in the testimony were Senators McClellan, McNamara, Mundt, and Goldwater.)

The CHAIRMAN. We will resume your testimony. Counsel may proceed.

Mr. KENNEDY. You discussed with the committee various projects that McLaughlin and Maloney and you were attempting to set up in the city of Portland, is that right, or attempting through you, to set up; is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. Now, during this time, were they discussing the fact that they had to make reports back to John Sweeney and Frank Brewster?

Mr. ELKINS. That's right.

Mr. KENNEDY. Did they also indicate to you that they had to make an accounting to Frank Brewster and John Sweeney as to what money they made?

Mr. ELKINS. Well, I don't know which one of them. It was in this way: Tom Maloney made the statement many times that John Sweeney and Frank Brewster were unhappy because they weren't showing any results to speak of.

Mr. KENNEDY. This was later on, during 1955?

Mr. ELKINS. That's correct.

Mr. KENNEDY. Now, getting into one particular matter which has been discussed here this morning, that is the pinball operation, did you people have any plan of operation in the pinball industry?

Mr. ELKINS. Yes. I had a pinball route and there weren't too many locations on it and I leased it in July of 1954 to Mr. Stan Terry.

Mr. KENNEDY. Which, incidentally, was after the time that Mr. Earl came out in opposition to the pinballs.

Mr. ELKINS. Yes. He has caused me lots of trouble, Earl has. He is on one side of the fence and I was on the other. He was running the city club and he was seizing slot machines at the time we were operating.

Mr. KENNEDY. Did he ever seize any of your slot machines?

Mr. ELKINS. Yes: he sat on them so that you couldn't move them until the police got there. I think on about three occasions.

Mr. KENNEDY. Have you ever been in business with Mr. Earl?

Mr. ELKINS. Beg pardon.

Mr. KENNEDY. Have you ever been in any business with Mr. Earl?

Mr. ELKINS. No, I have not.

Mr. KENNEDY. Will you tell us about what your operation was as far as the pinballs? Did you ever contribute to any of Mr. Stanley Earl's campaigns?

Mr. ELKINS. I did not. The reason I didn't even try was because another gambler told me that he had tried to contribute and Earl wouldn't accept it, so it wouldn't have done me any good if I wanted to contribute, he wouldn't have accepted it.

Mr. KENNEDY. Did they tell you about this pinball operation, did Tom Maloney tell you anything about what Frank Brewster and John Sweeney wanted you to do with pinballs?

Mr. ELKINS. Yes; they told me that they wanted me, John Sweeney and Brewster had ordered them to tell me to take the route back from Stan Terry.

Mr. KENNEDY. Did you say that you would agree to that?

Mr. ELKINS. I said that I wouldn't.

Mr. KENNEDY. What is that?

Mr. ELKINS. I said I couldn't.

Mr. KENNEDY. There was some discussion about breaking the agreement that you had made with Stan Terry.

Mr. ELKINS. I said I couldn't break it, because he kept his end of the agreement up.

Mr. KENNEDY. Did your brother Fred and Joe McLaughlin then go to see Mr. Budge Wright?

Mr. ELKINS. Yes; they discussed it to some extent and they were thinking who would be the right man for the front of it if I wouldn't be. So they decided that Budge Wright would because he was a distributor and he had access to equipment and he would be the proper man.

Mr. KENNEDY. Budge Wright said he wanted to talk to you rather than to Joe McLaughlin?

Mr. ELKINS. That's correct.

Mr. KENNEDY. Now, did you then have a discussion and conference with Joe McLaughlin and Budge Wright?

Mr. ELKINS. I did.

Mr. KENNEDY. Now, Budge Wright was a distributor of pinball machines at that time?

Mr. ELKINS. That's correct.

Mr. KENNEDY. What was said in that discussion as far as the tieup with the teamster union and what you people would do, and what kind of an operation you would put into effect?

Mr. ELKINS. Well, it was quite a lengthy discussion. Budge was told by McLaughlin that he had final say on anything concerning pinballs and punchboards, I believe he mentioned at the time, too, and he had the backing of the teamsters as far as getting equipment.

Mr. KENNEDY. What was meant by that, "the backing of the teamsters as far as getting equipment"?

Mr. ELKINS. Well, Budge had lost his distributorship for the Bally line.

Mr. KENNEDY. That was a line operating out of where?

Mr. ELKINS. It is out of Chicago, I think, and they make the equipment.

Mr. KENNEDY. They make this coin-machine equipment?

Mr. ELKINS. That's correct.

Mr. KENNEDY. Including slot machines?

Mr. ELKINS. Yes, they make pinball machines.

Mr. KENNEDY. And Joe McLaughlin said that through the connections with the teamsters, Budge Wright would be able to get that Bally line back?

Mr. ELKINS. That's correct.

Mr. KENNEDY. Did he talk about the connections of the teamsters with various other cities?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. What did he say about how teamsters could help them?

Mr. ELKINS. Well, he said that they would work it the same as they had in other towns. They could picket or we could take over any location that he wanted.

Mr. KENNEDY. He could have any location that he wanted?

Mr. ELKINS. That's correct.

Mr. KENNEDY. What was meant by that and how were they going to operate that?

Mr. ELKINS. Well, do you want to know how they were going to take the locations?

Mr. KENNEDY. Yes.

Mr. ELKINS. By picketing.

Mr. KENNEDY. What was going to be done, can you explain that?

Mr. ELKINS. They would send a man around from the teamsters.

Mr. KENNEDY. Now, "they" is who?

Mr. ELKINS. Clyde Crosby would send a man around from the teamsters and the man would tell the tavern owner or innkeeper, or whoever it might be that he would have to get his pinballs up or they were going to operate it by union, with a union sticker on it.

Senator MUNDT. Is that something that actually happened or is this a process that they were describing as a possibility?

Mr. ELKINS. It happened.

Senator MUNDT. This actually did happen?

Mr. ELKINS. That's right.

Senator MUNDT. While I am interrogating you, I would like to find out what motivated you to lease your pinball line to Mr. Terry.

Mr. ELKINS. Well, business as much as anything else. It wasn't too profitable a business, to me it wasn't.

Senator MUNDT. Would it be more profitable to him?

Mr. ELKINS. Well, he wouldn't have to hire any more men to run 37 more locations, and I believe that is about the correct amount.

Senator MUNDT. You mean the number of your locations had dwindled to the point where the profits were not important enough to continue, is that what you are telling us?

Mr. ELKINS. That's right.

Mr. KENNEDY. Now, you had this discussion and I want to go back to that as to what was held out to Mr. Budge Wright. First, was there going to be a company formed, is that the center of the whole thing?

Mr. ELKINS. That is correct. We eventually formed a company.

Mr. KENNEDY. Now, that was to be formed around Mr. Budge Wright, is that correct?

Mr. ELKINS. That's right.

Mr. KENNEDY. Joe McLaughlin held out to Mr. Budge Wright that with the influence of the teamsters they could take over the whole of the operation in the city of Portland.

Mr. ELKINS. That is correct and particularly Stan Terry's business who had been a headache to Budge Wright.

Mr. KENNEDY. Mr. Stanley Terry was the biggest operator at that time in the city of Portland.

Mr. ELKINS. That's correct.

Mr. KENNEDY. So they were going to concentrate on him first, is that right?

Mr. ELKINS. That's right.

Mr. KENNEDY. The teamsters would go in and use their force or their power and picket a place and make that tavern take one of your machines.

Mr. ELKINS. That's right, one of a company that Budge Wright was going to form.

Mr. KENNEDY. Was there also discussion about allowing other distributors in the union; that was a very important factor, was it not?

Mr. ELKINS. It was. They weren't to let anyone in without Budge okaying them.

Senator MUNDT. Now, at the time that Terry took over your line, you had been unionized for some time?

Mr. ELKINS. That's correct.

Senator MUNDT. Did he take over your men, too?

Mr. ELKINS. No, he did not.

Senator MUNDT. You kept your men?

Mr. ELKINS. That's right.

Senator MUNDT. So that his taking over your lines, he was still outside the union.

Mr. ELKINS. That is right, but he had 37 locations that were unionized.

Senator MUNDT. He had 37?

Mr. ELKINS. Well, he was operating them but they were still union machines.

Senator MUNDT. Was Stanley Terry a friend of Tom Maloney's, too?

Mr. ELKINS. Stanley Terry, no.

Senator MUNDT. How did he get into the union?

Mr. ELKINS. He didn't get in the union right then.

Senator MUNDT. He had 37 that were unionized.

Mr. ELKINS. That's right, but there wasn't anything said about that, because I had leased those to him. There was only one location there was any discussion about.

Senator MUNDT. Let me see if I get it clear. You leased him 37 unionized locations, but you did not transfer your personnel. Your union personnel was not transferred to him.

Mr. ELKINS. That's right.

Senator MUNDT. So that even though he had unionized locations, he was outside the union and he could not get this teamster protection.

Mr. ELKINS. That's right. It eventually came up that they were going to take those locations, too.

Senator MUNDT. As I understand it, there was some ill will between Tom Maloney and Stanley Terry.

Mr. ELKINS. Well, I don't know. I don't think Tom Maloney actually knew Stanley Terry, only by reputation; that's all.

Senator MUNDT. Was Tom Maloney trying to unionize them then?

Mr. ELKINS. No, he didn't want him in the union.

Senator MUNDT. Why not?

Mr. ELKINS. He wanted those locations.

Senator MUNDT. He wanted them for himself?

Mr. ELKINS. Yes, sir.

Senator MUNDT. And he looked on Terry as a competitor?

Mr. ELKINS. That's right.

Mr. KENNEDY. Now, can we go through briefly again an explanation as to how this company was to operate? There were possibly 20 or more distributors of pinballs in the city of Portland; is that right?

Mr. ELKINS. I would say more than that.

Mr. KENNEDY. And there are approximately 2,000 machines, between 1,200 and 2,000 machines?

Mr. ELKINS. I believe that is about right.

Mr. KENNEDY. And at that time, none of them were unionized except possibly the ones that Norman Nemer operated and your own.

Mr. ELKINS. That's correct.

Mr. KENNEDY. This was going to be a new company that was going to be formed; is that right?

Mr. ELKINS. That's right. Mine weren't considered unionized after the time they formed the Acme Co., when he eventually formed the Acme Amusement Co.

Mr. KENNEDY. Finally, this group of Joe McLaughlin, you and your brother and Budge Wright formed a company; is that right?

Mr. ELKINS. Budge Wright, Joe McLaughlin, Fred Elkins, and a man by the name of Walter formed a company.

Mr. KENNEDY. You were not in it, yourself?

Mr. ELKINS. No.

Mr. KENNEDY. You were not one of the four?

Mr. ELKINS. No; that is correct.

Mr. KENNEDY. You were in the background.

Mr. ELKINS. That's right.

Mr. KENNEDY. Now, what was discussed at this meeting. There were 2 or 3 other meetings with Budge Wright. Were there 2 or 3 other meetings?

Mr. ELKINS. I would say at least that.

Mr. KENNEDY. During this period of time, you were discussing how this operation was going to go, is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Could you tell the committee what was explained by Mr. Joe McLaughlin as to how this company was going to operate and what the advantage of this company was going to be and what the advantage of being tied up with the teamsters was?

Mr. ELKINS. The advantage was simply that these other men would not be let into the union until this Acme Co. got the best locations and they would only let in the smaller operators that were buying equipment from Budge Wright.

Mr. KENNEDY. They were going to let in a few small operators, but they were not going to allow the big operators in?

Mr. ELKINS. No; eventually there would be some larger operators let in, at a later date.

Mr. KENNEDY. Was it agreed that you were going to keep the other operators out even if they applied for membership and the teamsters would keep them out?

Mr. ELKINS. That is right. I think they were wanting in pretty bad by that time.

Mr. KENNEDY. Did Joe McLaughlin indicate he was going to keep them out?

Mr. ELKINS. That is right.

Mr. KENNEDY. That the teamsters would?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did he also discuss the fact that he would send the business agent of the teamsters around to close these taverns that wouldn't take your machines?

Mr. ELKINS. That is right.

Mr. KENNEDY. And that they would start, or you were going to supply a list of some of Stan Terry's operations?

Mr. ELKINS. That is right.

Mr. KENNEDY. And then they would send these teamsters' business agents around and they would tell the owner of the cafe that they had better have a union machine or otherwise they were going to have pickets outside and not allow beer to be delivered.

Mr. ELKINS. That's correct.

Mr. KENNEDY. Was that the fundamental idea in the operation?

Mr. ELKINS. That's right.

Mr. KENNEDY. Now, did you supply such a list?

Mr. ELKINS. I did.

Mr. KENNEDY. Can you think of some of the names of the taverns that were on it?

Mr. ELKINS. No, because I didn't make the list up.

Mr. KENNEDY. Who made the list up for you?

Mr. ELKINS. I think an employee of ours and my brother made the list up.

Mr. KENNEDY. Did you ever see the list?

Mr. ELKINS. Yes, and it was given to me to give to Joe.

Mr. KENNEDY. Do you remember any of the names on the list?

Mr. ELKINS. Portsmouth Cocktail Lounge, I believe, was one of them.

Mr. KENNEDY. Was the Mount Hood Cafe one of them?

Mr. ELKINS. Not on my list. I believe that was picked out by Walters.

Mr. KENNEDY. Who was a partner of Budge Wright?

Mr. ELKINS. Yes. He was going to operate and be the front man for that.

Mr. KENNEDY. How many were on your list, the initial list?

Mr. ELKINS. The first list, I think, was about five, but they were in outlying districts. They didn't want to take a location from right in the city or right in the main business area first.

Mr. KENNEDY. Tell me this: What was the status of the pinballs at that time? Were they legal or illegal?

Mr. ELKINS. They were illegal, only they were running on some kind of a writ which had been issued by the courts and appealed.

Mr. KENNEDY. Was there any discussion at these meetings about the fact that they were illegal, and that the writ of the court might be overruled and that you would lose your operations?

Mr. ELKINS. That's correct.

Mr. KENNEDY. What did you think that you could do about that?

Mr. ELKINS. Well, Mr. McLaughlin insisted that Crosby could change the city commissioner's mind and I was under the impression that he could not and that is one of the reasons I leased my route to Stan Terry, because I thought eventually the council would vote them out.

Mr. KENNEDY. And did Joe McLaughlin say that Clyde Crosby would go and visit the commissioners and try to get them to change?

Mr. ELKINS. That is exactly right.

Mr. KENNEDY. And get an ordinance through that would make these pinballs legal; is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did you understand that he made such visits to the commissioners and to the mayor?

Mr. ELKINS. Not right then he hadn't, and I think that he began then to do it.

Mr. KENNEDY. Now, this Acme Amusement Co. then was formed with the four of you?

Mr. ELKINS. That's right.

Mr. KENNEDY. And the lists were supplied, and then did it go into operation?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did the teamsters union business agents start going around to these various places?

Mr. ELKINS. That's right.

Mr. KENNEDY. Did you understand that one of the places that they came to was the Mount Hood Cafe?

Mr. ELKINS. That's right.

Mr. KENNEDY. And they started a picket of the Mount Hood Cafe?

Mr. ELKINS. That's right, and they called the Dollar and Penny, which had been one of my old locations.

Mr. KENNEDY. That is another location; the Dollar and Penny location?

Mr. ELKINS. Yes, sir.

Mr. KENNEDY. Did you hear of any report on that?

Mr. ELKINS. Yes, sir; he told me that he had received a phone call from Mr. Crosby, I believe he told me, and that he was going to throw

those machines, set them out on the street, if they didn't get them by noon, and he was told to take those out and put Acme in, that they were unionized.

Mr. KENNEDY. What was the international organizer of the teamsters doing in this kind of an operation? This was the local union. The head of the local union should have been in charge of it, should he not, or do you know that?

Mr. ELKINS. I don't know.

Mr. KENNEDY. Mr. Clyde Crosby is the one that was supposed to do it?

Mr. ELKINS. He was cooperating to the best of his ability.

Senator MUNDT. Do you know the name of the business agent that visited the Mount Hood Cafe?

Mr. ELKINS. Frank Malloy.

Senator MUNDT. He was a business agent for the teamsters?

Mr. ELKINS. He is a teamster, that is all I know.

Senator MUNDT. Let me see if I understand the picture correctly. They pick out some shop like the Mount Hood Cafe.

Mr. ELKINS. That is correct.

Senator MUNDT. And tell them that, "You are not unionized and consequently, we are going to picket you."

Mr. ELKINS. Yes, sir.

Senator MUNDT. If the Mount Hood Cafe wanted to get unionized, they wouldn't let them get unionized, is that not true?

Mr. ELKINS. That is right.

Senator MUNDT. They were not trying really to get new union members, they were trying to blackball people out of business.

Mr. ELKINS. That is right.

Senator MUNDT. Is that right?

Mr. ELKINS. That is correct.

Senator MUNDT. No effort was made to say to them, "If you get to be a unionized shop, O. K. But if you are not a union shop, out you go."

Mr. ELKINS. Just about that way. They were told if they put in the unionized machines, of Acme, that that would be all right.

Senator MUNDT. They were not trying to pick up new union members?

Mr. ELKINS. No, sir.

Senator MUNDT. To build up the union.

Mr. ELKINS. No, sir.

Senator MUNDT. And expand the membership.

Mr. ELKINS. No, sir.

Senator MUNDT. They were simply using the union as a club to put Acme, their own outfit, into the pinball business in these new locations.

Mr. ELKINS. That is correct.

Senator MUNDT. Make it a monopoly.

Mr. ELKINS. That is right.

Senator MUNDT. How much did you think that they would get out of that?

Mr. ELKINS. Out of this?

Senator MUNDT. If they succeeded, were you expanding throughout the city and throughout the State?

Mr. ELKINS. There was talk of being a state-wide operation; yes.

Senator MUNDT. You have had some experience in that business. Had the plans succeeded, what do you think would have been the annual take?

Mr. ELKINS. Oh Lord, it would have been terrific. It would have been fantastic, the amount.

Senator MUNDT. Fantastic out in Portland is one thing and back in South Dakota it would be something else. \$10 is a lot of money back home.

Mr. ELKINS. I would say a quarter of a million a year, conservatively speaking.

Senator MUNDT. That would have been split among the members of Acme, plus you and plus Tom Maloney.

Mr. ELKINS. That's right.

Senator MUNDT. As I understand it, neither you nor Tom Maloney were in Acme.

Mr. ELKINS. That's correct.

Senator MUNDT. As far as officers were concerned.

Mr. ELKINS. That's right. We were silent partners.

Senator MUNDT. You and Tom Maloney would both have taken your share of the take?

Mr. ELKINS. That is correct.

Senator McNAMARA. Apparently you are an expert in this field of pinball operations. Could you tell us about how much the take is on a single machine a day?

Mr. ELKINS. Well, it depends on the location, sir. There are some locations that take in as much as \$100 a day.

Do you mean on one single machine?

Senator McNAMARA. I mean on one single machine, on the average.

Mr. ELKINS. Well, again, it is impossible to tell. If it were a good location, it would take in—well, I have seen them lose \$20 an hour on them.

Senator McNAMARA. \$20 an hour?

Mr. ELKINS. Yes.

Senator McNAMARA. A couple of hundred dollar a day?

Mr. ELKINS. I would say it would be that much.

Senator McNAMARA. That is better than the average on slot machines, is it not?

Mr. ELKINS. These new pinballs are faster than slots.

Senator MUNDT. These pinballs the way you operate them out there are not the kind that you see in a penny arcade, or in an airport or in a union station; these are triggered up to be gambling machines as much as a slot machine, is that correct?

Mr. ELKINS. That is correct, only there isn't an automatic payout. It runs the odds out.

Senator MUNDT. You pay it by the barkeeper instead of paying out of the machine?

Mr. ELKINS. Yes. You are thinking of those little five balls.

Senator MUNDT. Yes.

Mr. ELKINS. These are called 5 balls, too, but they are a different type of 5 balls.

Senator MUNDT. Are they different kinds of machines, or just operatively? Can you tell from looking at them?

Mr. ELKINS. Not unless you knew something about pinballs. But you wouldn't find an amusement device with a 10-cent shoot or a two-bit shoot on it.

Senator MUNDT. I would not imagine the take on that kind of machine would be anywhere near a hundred dollars a day.

Mr. ELKINS. No. You can play all day for a dollar on the type you are talking about.

Senator MUNDT. Well, I was not planning to. I just wanted to know.

Mr. KENNEDY. Mr. Elkins, was one of the first places that was picketed the Mount Hood Cafe?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Mr. Chairman, we have the head of the Mount Hood Cafe as a witness, if Mr. Elkins can step aside.

The CHAIRMAN. Mr. Elkins, will you step aside for the present? Call the witness.

(Members present at this point: The chairman and Senators McNamara, Mundt, and Goldwater.)

Mr. KENNEDY. Mr. Horace Crouch.

The CHAIRMAN. Mr. Crouch, will you be sworn, please?

Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CROUCH. I do.

TESTIMONY OF HORACE A. CROUCH

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. CROUCH. My name is H. A. Crouch. I reside in Portland, Oreg. My business now is the restaurant business in Portland, Oreg.

The CHAIRMAN. Portland, Oreg.?

Mr. CROUCH. Yes, sir.

The CHAIRMAN. You have talked with members of the staff, have you, and understand the line of interrogation that will be inquired of?

Mr. CROUCH. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Mr. CROUCH. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Crouch, I am just going to go through the same thing that Mr. Adlerman and Mr. Calabrese have covered with you already. Mr. Adlerman and Mr. Calabrese visited you, did they not?

Mr. CROUCH. No; they did not.

Mr. KENNEDY. You never talked to them?

Mr. CROUCH. No.

Mr. KENNEDY. You have not talked to any member of the staff?

Mr. CROUCH. Yes. Mr. Calabrese.

Mr. KENNEDY. The two members of our staff; did they come to your home?

Mr. CROUCH. Yes.

Mr. KENNEDY. Did you have a gun behind the door at the time they came?

Mr. CROUCH. Yes; I did.

Mr. KENNEDY. What would be the reason for that?

Mr. CROUCH. Well, sometimes in Portland the teamsters got pretty rough.

Mr. KENNEDY. Have you made it a practice of having a gun near your door since the time of the Mount Hood Cafe incident?

Mr. CROUCH. No; I have not.

Mr. KENNEDY. You just thought that two people were coming to see you and you needed a gun?

Mr. CROUCH. Well, the way Calabrese told me that they were from the courthouse, I didn't figure the courthouse was open that time of night. I knew I was going to be subpoenaed——

Mr. KENNEDY. Thank, you, Mr. Crouch. When they came out to see you, did you also call the State police?

Mr. CROUCH. Yes; I did. I called the police before they got there.

Mr. KENNEDY. Do you have some fear of something happening?

Mr. CROUCH. Well, that is something you never know.

Mr. KENNEDY. Who did you think might be bothering you?

Mr. CROUCH. Well, I don't really know. It is just that I wanted to be safe.

Mr. KENNEDY. Who did you want to be safe from, Mr. Crouch?

Mr. CROUCH. Different ones that I know in the teamsters union.

Senator MUNDT. May I ask at this point why you felt that the teamsters union might be coming to see you instead of some thug or highwayman or someone else? Why did you single out the teamsters union and say that "somebody is coming that may be rough; I am going to protect myself against the teamsters union"? There must be some background on that.

Mr. CROUCH. Yes. I appeared before the committee in Portland, on the teamsters.

Senator MUNDT. Which committee? A State committee of some kind?

Mr. CROUCH. Yes, sir; a State committee.

Senator MUNDT. The State investigating committee?

Mr. CROUCH. Yes.

Senator MUNDT. The grand jury?

Mr. CROUCH. Yes; the grand jury.

Senator MUNDT. And you testified against the teamsters?

Mr. CROUCH. And I testified. So I was kind of being plain careful.

Senator MUNDT. Does the teamsters' union in your community have a reputation of being kind of tough against people who testify against them?

Mr. CROUCH. Well, not lately, but years ago they did.

Mr. KENNEDY. Mr. Crouch, was your Mount Hood Cafe picketed?

Mr. CROUCH. Yes; it was.

Mr. KENNEDY. Would you tell the committee about the picketing, why it was picketed?

Mr. CROUCH. Yes. I was in the kitchen one morning working, and doing my cooking there, and Mr. Frank Malloy walked in.

Mr. KENNEDY. Who is Mr. Frank Malloy?

Mr. CROUCH. He belongs to the teamsters some way or another. He asked me whose machines I had and I told him Stan Terry. He said, "Well," he says, "Crouch, you better take those machines out, because in a few days you might be picketed." I said, "They can't picket me. I belong to the culinary workers."

Mr. KENNEDY. You said you were a member of the union?

Mr. CROUCH. Yes.

Mr. KENNEDY. What union were you a member of?

Mr. CROUCH. Culinary workers. It is a restaurant union.

Mr. KENNEDY. You told that to Mr. Malloy?

Mr. CROUCH. Yes.

Mr. KENNEDY. What did he say?

Mr. CROUCH. He said "You will find out." So 2 or 3 days from then I came to work and he had the pickets in front of me, in front of my place.

Mr. KENNEDY. You had pickets from the teamsters' union outside your Mount Hood Cafe?

Mr. CROUCH. Yes.

Mr. KENNEDY. What happened?

Mr. CROUCH. I asked Malloy, "You can't do this. What is the big idea?" I told him, "I belong to the restaurant union. Why picket me?"

He said "We are not picketing you. We are picketing Stan Terry's machines. You take Stan Terry's machines out and we will pull the pickets."

Senator MUNDT. Did he suggest whose machines you might put in?

Mr. CROUCH. A few days after I did take them out, one of the Acme men left his card there, and I said, "Are you union?" And he says, "Yes, we are. You will not be bothered."

So I took them in.

Senator MUNDT. Mr. Crouch, these pickets out in front of your place, were they there for the purpose of keeping patrons from coming in or keeping deliveries from coming in?

Mr. CROUCH. Both. All my customers are railroad union men, taxicab drivers union, and they told them not to come in my place. They couldn't cross the picket line.

Senator MUNDT. How about the deliveries? Did they cease coming in, too?

Mr. CROUCH. Yes. They did. They stopped.

Senator MUNDT. You could not get beer, food, and bread and stuff that you needed, so that you were out of business?

Mr. CROUCH. I went and got it myself.

Senator MUNDT. You went and got it yourself?

Mr. CROUCH. Yes.

Senator MUNDT. But when the union men did not come across the line, you were practically closed up.

Mr. CROUCH. That is right.

Senator MUNDT. So you took the machines out?

Mr. CROUCH. Yes, sir.

Senator MUNDT. After that, the Acme man came and said "This is the other side of the coin. You can put these machines in. These are unionized." The pickets would go away and you are back in business?

Mr. CROUCH. Yes, sir.

Mr. KENNEDY. Did you ask Stan Terry to get in the union so that the pickets would go away?

Mr. CROUCH. Yes, I did. I asked Stan Terry, I said "Why don't you join the union?" And he said "They won't let me."

Mr. KENNEDY. They won't let him in the union?

Mr. CROUCH. Yes. I said "How Come?" And he said the head guy was in Seattle and he couldn't get in touch with him.

Mr. KENNEDY. He said the head guy was in Seattle?

Mr. CROUCH. Yes.

Mr. KENNEDY. Was there any violence, or did anybody get into any kind of an argument?

Mr. CROUCH. The first morning I came down, struggling in business there in Portland for awhile, there was Frank Malloy. I asked him to pull the pickets, and we had a few words and it almost came to a fight. We called the police and the police told me to go inside rather than being sent down to the police station.

Mr. KENNEDY. Did you get into a real fight?

Mr. CROUCH. Well, it was not a real fight. I started it myself. I was mad.

Mr. KENNEDY. Did you punch Mr. Malloy?

Mr. CROUCH. No.

Mr. KENNEDY. You did not get into any kind of a fist fight?

Mr. CROUCH. No.

Mr. KENNEDY. Did you try to throw a monkeywrench at him?

Mr. CROUCH. Well, I carried one in my car.

Yes, I did. I couldn't get coffee, I couldn't get bread, I couldn't get meat deliveries. I called these outfits up. I have been in Portland 30 years or more in business. They said, "Well, you meet me up the street and we will transfer the food into your car and you can haul it yourself." The coffee company I did, and Frank Malloy and another fellow followed me in the car, and got out and told the coffee man to take the coffee out of my car and put it back in his truck. I pulled out a monkeywrench and I said, "Nobody touches this coffee. The first one that does will get this over his head. You better get in that car," I said, "and drive away or this wrench will go through your windshield." He got in and drove off.

Mr. KENNEDY. Did Mr. Terry in his conversations with you say that he thought it would be possible to get into the union?

Mr. CROUCH. He thought the first day or so he would be able to get in. I said, "If they don't, Stan Terry, I have to pull these machines out, because my business is way down."

Mr. KENNEDY. What did he say he had to do in order to get into the union?

Mr. CROUCH. He was trying to get hold of this head fellow. I don't know who he was.

Mr. KENNEDY. The head man?

Mr. CROUCH. Yes.

Mr. KENNEDY. Did he say he thought if he could get in touch with the union, he thought he could get into the union?

Mr. CROUCH. Yes, he did.

Senator MUNDT. Who did you say was the headman of the union?

Mr. CROUCH. The only one I knew of was Frank Malloy.

Senator MUNDT. Who did Mr. Terry say he had to get in touch with up in Seattle?

Mr. CROUCH. I don't remember that.

Senator MUNDT. You do not remember that?

Mr. CROUCH. No.

Mr. KENNEDY. Did you ultimately pull Mr. Terry's machines out of your restaurant?

Mr. CROUCH. Yes, I did.

Mr. KENNEDY. In the meantime, with the pickets out front, your business was ruined?

Mr. CROUCH. Yes.

Mr. KENNEDY. You could not operate any more?

Mr. CROUCH. No.

Mr. KENNEDY. There were no patrons coming in any more?

Mr. CROUCH. No.

Mr. KENNEDY. You would go bankrupt if you did not pull them out?

Mr. CROUCH. That is what would happen.

Mr. KENNEDY. You pulled them out?

Mr. CROUCH. Yes, I did.

Mr. KENNEDY. Did you put other machines in?

Mr. CROUCH. About 3 months later, Stan said he was in the union, so I put them back in.

Mr. KENNEDY. But you did not take Acme's machines?

Mr. CROUCH. No, I didn't.

Senator MUNDT. Why not?

Mr. CROUCH. What?

Senator MUNDT. Why not?

Mr. CROUCH. Well, I had known Stan for a good many years, and they had always given us good service and this and that. The union was for Acme and I wasn't, they had caused me trouble, so—

Senator MUNDT. You were sort of waiting to see if Mr. Terry could get unionized so you could go back in business with Mr. Terry, right?

Mr. CROUCH. Yes, sir.

The CHAIRMAN. Are there any further questions?

In other words, you were compelled to take the other machines or go out of business?

Mr. CROUCH. That is right.

The CHAIRMAN. And under threat, not only a threat but actual picketing of your place, to destroy your business if you did not do it?

Mr. CROUCH. Yes, sir.

Senator McNAMARA. That raises a question in my mind. Could you have operated your place without machines? Did they insist you have machines?

Mr. CROUCH. Yes. If the pickets would have left, my business would have carried right on.

Senator McNAMARA. Then if you took the machines out, you did not have to replace them with other machines, you could operate without machines?

Mr. CROUCH. Yes, I could.

Senator MUNDT. I just want to finish your business history now.

The pickets were before your place for about how long?

Mr. CROUCH. About 4 days. The fourth day they took them out.

Senator MUNDT. When you took the machines out, then the pickets went away.

Mr. CROUCH. Yes.

Senator MUNDT. And you opened up about 3 months later with Mr. Terry's machines?

Mr. CROUCH. Yes.

Senator MUNDT. And by that time, Mr. Terry had been in the union, had joined the union?

Mr. CROUCH. Yes.

Senator MUNDT. So the pickets did not disturb you any further?

Mr. CROUCH. No.

The CHAIRMAN. Thank you very much.

(At this point, Senator McNamara withdrew from the hearing room.)

The CHAIRMAN. Mr. Frank Malloy, come forward, please.

(Members present at this point: The chairman, Senators Mundt and Goldwater.)

The CHAIRMAN. You will be sworn, Mr. Malloy.

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. MALLOY. I do.

TESTIMONY OF FRANK MALLOY, ACCOMPANIED BY COUNSEL, CLIFFORD D. O'BRIEN

The CHAIRMAN. State your name, place of residence, and your business or occupation.

Mr. MALLOY. My name is Frank Malloy. I live at 2632 Southeast Terrace, in Portland, Oreg. I am a business agent for local 223, teamsters.

The CHAIRMAN. How long have you been such?

Mr. MALLOY. Well, I am with local 223 for about 4 years, or 3½ years.

The CHAIRMAN. You have counsel present, have you?

Mr. MALLOY. Yes, sir.

The CHAIRMAN. Counsel, you will please identify yourself for the record.

Mr. O'BRIEN. My name is Clifford D. O'Brien, I live in Portland, Oreg., and my office is in the American Bank Building in that city.

Mr. CHAIRMAN. Thank you, sir.

You are, of course, familiar with the rules of the committee?

Mr. O'BRIEN. I have been advised of the rules, Mr. Chairman.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. You have been in the teamsters union, Mr. Malloy, how long?

Mr. MALLOY. Since 1932.

Mr. KENNEDY. And you have been in Portland, Oreg., for how long?

Mr. MALLOY. Forty-four years.

Mr. KENNEDY. So you have been there with the teamsters since 1932?

Mr. MALLOY. As a member.

Mr. KENNEDY. As a member of the teamsters union.

Were you involved in any of the difficulties that Mr. Earl mentioned earlier, that is the difficulties that the teamsters had in Portland during the 1935, 1936 and 1947, the arson, the dynamite and the acid throwing?

Mr. MALLOY. I decline to answer that question.

(The witness conferred with his counsel.)

Mr. MALLOY. It might tend to incriminate me on the two indictments I am faced with in the State of Oregon.

Mr. KENNEDY. To answer the question as to whether you were involved in any of the dynamiting, the acid throwing, in Portland during the 1936-37 period would tend to incriminate you?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes.

Senator MUNDT. Mr. Malloy, you dropped your voice at the end of the sentence. Did you say you were indicted in the State of Oregon or you might be indicted?

Mr. MALLOY. I have two indictments.

Senator MUNDT. You have two indictments presently pending against you?

Mr. MALLOY. Yes, sir.

Mr. KENNEDY. Let me ask you this: Could you tell me who ordered the picketing of the Mount Hood Cafe?

Mr. MALLOY. I decline to answer for the same reason.

Mr. KENNEDY. Mr. Chairman, it is just a question of who ordered the picketing at an institution.

The CHAIRMAN. You heard Mr. Crouch testify preceding you, did you?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes.

The CHAIRMAN. Just one moment.

The Chair is not quite certain, but I think I observe some improper coaching on the part of counsel.

Mr. O'BRIEN. Mr. Chairman, I have only advised Mr. Malloy whether or not to decline to answer the questions.

The CHAIRMAN. You may advise him as to his legal rights.

Mr. O'BRIEN. That is all I am purporting to do.

The CHAIRMAN. If he answers, he will answer upon his own judgment, and not upon the suggested answers.

You heard Mr. Crouch testify?

Mr. MALLOY. Yes, sir.

The CHAIRMAN. You heard him relate the circumstance under which his business was picketed?

Mr. MALLOY. I decline to answer.

The CHAIRMAN. I order you to answer that. Did you hear him testify to the circumstances under which his business was picketed?

Mr. MALLOY. Yes, sir.

The CHAIRMAN. Did you order his business picketed?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer the question.

The CHAIRMAN. I order and direct you to answer the question.

Mr. MALLOY. I decline to answer the question. It might incriminate me on the two indictments I am faced with in Oregon now.

The CHAIRMAN. It might incriminate you?

Mr. MALLOY. It might incriminate me. Pardon me.

The CHAIRMAN. Do you wish to deny any of the testimony he gave here against you?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline.

The CHAIRMAN. You decline what?

Mr. MALLOY. To answer that.

The CHAIRMAN. I simply asked you whether you wish to deny any of it.

Mr. MALLOY. I decline to answer.

The CHAIRMAN. On what grounds?

Mr. MALLOY. That it might incriminate me on the two indictments I am faced with in Oregon.

The CHAIRMAN. Do you think denying an accusation would incriminate you?

Senator MUNDT. Mr. Chairman, under the rules of our committee, the counsel may be consulted by the witness. He is not supposed to coach him all the way through, which this counsel persists in doing. I suggest that counsel comply with the rules of the committee.

Mr. O'BRIEN. Senator Mundt, I have not coached the witness.

Senator MUNDT. You are to talk to him only when he asks you for advice, sir, and not volunteer.

Mr. O'BRIEN. Very well.

The CHAIRMAN. Let us proceed.

The Chair wants to be very courteous, very generous and very liberal, and any other term you may use along that line, with respect to a witness testifying, with his counsel, but the Chair will not tolerate coaching the witness, if he detects that is being done. Counsel is here as a courtesy from the committee, and the committee's rules will be observed.

I ask you if you wish to deny, or do you want to let the record stand here, the sworn testimony against you, as to your activities and your actions as have been testified to here regarding Mr. Couch's place of business?

Do you want to deny it or do you want to let the record stay as it is, an accusation against you here under oath before the public, and this information going all over the country, everybody knowing it, and you sitting here having the opportunity to deny it, if it is not true?

Do you want to leave it that way and refuse to answer?

(The witness conferred with his counsel.)

Mr. MALLOY. I think I will decline to answer the question. The question might incriminate myself.

The CHAIRMAN. It might incriminate yourself?

Mr. MALLOY. Yes.

The CHAIRMAN. Do you honestly believe that if you told the truth and had that question as to whether you did have his place picketed or not, that an honest answer, a truthful answer, would tend to incriminate you? Do you honestly believe that?

(The witness conferred with his counsel.)

Mr. MALLOY. I do.

The CHAIRMAN. You are the best judge of it.

Are there any other questions?

Mr. KENNEDY. I would like to find out who has the authority in your union to put pickets on places, to order pickets?

(The witness conferred with his counsel.)

Mr. MALLOY. Well, the secretary of the union.

Mr. KENNEDY. What is his name?

Mr. MALLOY. Mr. Hildreth.

Mr. KENNEDY. Did he order the pickets at the Mount Hood Cafe?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. Wait a moment. You are ordered and directed to answer that question. There could not be any possible incrimination in saying whether he ordered it done or not.

Mr. O'BRIEN. Mr. Chairman, may I say something briefly?

The CHAIRMAN. You may counsel your client as to his legal rights.

Mr. O'BRIEN. I would like to apprise the committee as to the subject matter of these indictments.

The CHAIRMAN. You may advise the committee of the nature of the indictments.

Mr. O'BRIEN. Mr. Chairman, Mr. Malloy stands charged with extortion arising out of this picketing of the Mount Hood Cafe, under a State statute, under which, in my opinion, if interstate commerce were involved, it would likewise make the basis for a Federal indictment.

The CHAIRMAN. So he does not want to deny it, then, notwithstanding he is indicted.

Senator MUNDT. The two indictments, Mr. Counsel, are they both on the same subject?

Mr. O'BRIEN. I beg your pardon?

Senator MUNDT. What is the other indictment?

Mr. O'BRIEN. The other is a conspiracy to extort, by picketing certain other establishments in Portland. In that case, a Federal judge did find a violation of interstate commerce, found a violation of the Sherman Antitrust Act.

Mr. KENNEDY. All I want to know is if Mr. Lloyd Hildreth, who has the authority to order the pickets, ordered the pickets put on?

Mr. MALLOY. I decline to answer.

Senator MUNDT. Mr. Malloy, since you are obviously threatened with this type of court prosecution, if you tell the whole wide world "Yes, the secretary ordered the pickets", you are establishing a defense for yourself. If you decline to answer, you are certainly casting a new shadow of doubt against your own position. This is a chance for you, sir.

Could you speak up?

Mr. MALLOY. I still decline to answer the question.

Mr. KENNEDY. Is not the reason that you decline the fact that Mr. Clyde Crosby ordered the pickets for the Mount Hood Cafe?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Have you been instructed by the teamsters union to take the fifth amendment up here in order to protect Mr. Clyde Crosby?

(The witness conferred with his counsel.)

Mr. MALLOY. No.

Mr. KENNEDY. You have not.

Is your attorney the same attorney for Mr. Clyde Crosby?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes.

Mr. KENNEDY. Did Mr. Clyde Crosby order the pickets at the Mount Hood Cafe?

Mr. MALLOY. I decline to answer that question.

Senator MUNDT. Do you know Mr. Crosby?

Mr. MALLOY. Yes, sir.

Senator MUNDT. For how long?

Mr. MALLOY. Five or six years.

Senator MUNDT. He is an official of the teamsters union; is he not?

Mr. MALLOY. Yes, sir.

Senator MUNDT. Does he have a higher or lower official rank in the teamsters union than you?

Mr. MALLOY. He is our international man in the State of Oregon.

Senator MUNDT. Is that a more important job or a less important job than yours?

Mr. MALLOY. Yes, sir.

Senator MUNDT. That is an important position; is it not?

Mr. MALLOY. Yes, sir.

Senator MUNDT. Do you know Mr. Tom Maloney?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer the question.

Senator MUNDT. Did you know Mr. John Sweeney?

Mr. MALLOY. Yes.

Senator MUNDT. In what capacity did you know Mr. John Sweeney?

Mr. MALLOY. He was the international representative in the State of Oregon.

Senator MUNDT. Did he have the position formerly that Mr. Crosby has now?

Mr. MALLOY. Yes, sir.

Senator MUNDT. Do you know Mr. Frank Brewster?

Mr. MALLOY. Yes, sir.

Senator MUNDT. In what capacity?

Mr. MALLOY. Well, as a vice president and head of the Western Conference of Teamsters of the 11 Western States.

Senator MUNDT. For how long have you known him?

Mr. MALLOY. Twenty years.

Senator MUNDT. Did you know him in earlier capacities in the teamsters union before he became vice president?

Mr. MALLOY. Yes, sir.

Senator MUNDT. In what capacity?

Mr. MALLOY. Well, he was secretary to local 174 in Seattle, Wash.

Senator MUNDT. At which time you were business manager?

Mr. MALLOY. Yes. I was a business agent at the time; yes, sir.

Senator MUNDT. You were a business agent at the time he was secretary?

Mr. MALLOY. Yes, sir.

Senator MUNDT. And you have known him, then, as he has moved up to his present position?

Mr. MALLOY. Yes, sir.

Senator MUNDT. Thank you.

The CHAIRMAN. Did you say you know Tom Maloney?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. Do you know Joe McLaughlin?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You said you knew Mr. Crosby, I believe, Clyde Crosby?

Mr. MALLOY. Yes, sir.

The CHAIRMAN. You do know him. Have you ever had any business transactions with Tom Maloney?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. Did you ever have any business transactions with Joe McLaughlin?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. Did you ever have any business transactions with Clyde Crosby?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes.

The CHAIRMAN. What was the nature of them?

Mr. MALLOY. Well, he is the international officer in the State of Oregon.

The CHAIRMAN. You had relations with him, business relations, in connection with your union membership and your position as a business manager in his official position as head of the organization, or whatever position he held?

Mr. MALLOY. Yes.

The CHAIRMAN. You had those business transactions with him?

Mr. MALLOY. Yes, sir.

The CHAIRMAN. In other words, union business?

Mr. MALLOY. Right.

The CHAIRMAN. Did you have any other business transactions with him outside of the union?

Mr. MALLOY. No, sir.

The CHAIRMAN. You never had any conversations with him or business transactions regarding pinball machines?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You have answered that you did not have any other, so I am going to order and direct you to answer this question.

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You are ordered and directed to answer it. Did you have any conversations with him or any business transactions with him regarding pinball machines?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You are ordered and directed to answer it.

(The witness conferred with his counsel.)

Mr. MALLOY. I still respectfully decline that question.

The CHAIRMAN. Did you have any conversations with him regarding punchboards?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You had answered that you had no other business connections with him, and I am asking you, to refresh your memory, and see if you will tell the truth about it, if you did not have conversations with him about pinball machines and also about punchboards.

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that.

The CHAIRMAN. And did you not have an understanding with him and also with Tom Maloney and Joe McLaughlin regarding the operation of pinball machines in the city of Portland?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. And did you not, as a strong-arm man, business manager, of the teamsters union, go out and picket places in order

to try to force them to take the machines in which Joe McLaughlin, Tom Maloney, and Clyde Crosby were interested?

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You do not want to tell the truth about it, do you? (The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

Senator MUNDT. Mr. Malloy, you answered an earlier question on the part of the chairman when he asked you had you had any other business conversations with Mr. Crosby except those dealing with union affairs, and you gave a categorical denial and said, "No." In view of the fact that that would subject you to a perjury citation in the event it develops that you have had these other conversations about which you now take the fifth amendment, do you want to change your previous testimony when you gave that categorical denial to the first question?

(The witness conferred with his counsel.)

Mr. MALLOY. No; I don't want to change it.

Senator MUNDT. You do not want to change it.

Senator GOLDWATER. Mr. Malloy, did you ever know a Frank Harper?

(The witness conferred with his counsel.)

Mr. MALLOY. No.

Mr. KENNEDY. Did you have a monkey wrench thrown at you at the Mount Hood Cafe?

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Did you participate in the campaign of Mr. William Langley?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes.

Mr. KENNEDY. What services did you perform for William Langley?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

The CHAIRMAN. You are ordered and directed to answer the question.

(The witness conferred with his counsel.)

Mr. MALLOY. Well, I decline to answer that question.

Mr. KENNEDY. What has that got to do with your indictment on the Mount Hood Cafe?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Did you know that from the Acme Amusement Co. Mr. William Langley was to receive some of the money that the Acme Amusement Co. made?

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Did you know that for a fact?

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Did you receive any moneys from Tom Maloney in connection with the William Langley campaign?

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Have you ever been to Mr. William Langley's home?

Mr. MALLOY. I decline to answer that question.

Senator MUNDT. Did you, yourself, make a financial contribution to Mr. Langley's campaign?

Mr. MALLOY. I decline to answer that question.

Senator MUNDT. Would not that have to be a matter of record under your State law, your city law?

Mr. O'BRIEN. Senator Mundt, I can tell you that it probably would be. I don't know whether the witness knows the answer or not.

Senator MUNDT. You mean you do not know whether he knows whether he made a contribution or not?

Mr. O'BRIEN. No; I don't know whether he knows the question of law.

Senator MUNDT. It would seem to me that it would be, and consequently I do not think the witness can hide behind the fifth amendment, Mr. Chairman, without being in contempt of Congress, if we are asking a question which is a matter of State record out there in the secretary of state's office.

The CHAIRMAN. In my opinion, the witness is already in contempt.

Senator MUNDT. I will repeat the question, sir. Did you contribute any money, yourself, to Mr. Langley's campaign?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

Senator MUNDT. I agree with the chairman that this witness is clearly in contempt of Congress when he refuses to answer questions of that type and makes a capricious use of the fifth amendment. He is clearly in contempt.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. Just to straighten the record out, Mr. Elkins testified that he gave \$200 to Mr. Tom Maloney for you. Did you receive that money?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. He also stated that he gave another \$200 to Mr. Tom Maloney for your wife.

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. And that you had attempted to make arrangements with Mr. William Langley to set up a joint of your own in Portland. Is that true?

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. Did you know that Mr. William Langley was taking a part or having a part of a joint that was operating in Portland, Oreg., in 1955?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer.

The CHAIRMAN. Are there any further questions?

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Mr. Malloy, were you active in the campaign against Mr. Earl in the last city election?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes, sir.

Senator GOLDWATER. Did you represent your union as being against Mr. Earl's candidacy?

(The witness conferred with his counsel.)

Mr. MALLOY. Yes.

Senator GOLDWATER. Did you ask your membership if you would be right in expressing their views as being against Mr. Earl's candidacy?

Mr. MALLOY. The membership?

Senator GOLDWATER. Yes.

Mr. MALLOY. No, sir.

Senator GOLDWATER. You just took it upon yourself to say that your local was against Mr. Earl?

Mr. MALLOY. Well, I didn't campaign for Earl. I campaigned for his opponent.

Senator GOLDWATER. That is against him. Did you use union money in that campaign?

Mr. MALLOY. No, sir.

Senator GOLDWATER. You did not use any of the funds of the union as you campaigned for his opponent?

Mr. MALLOY. No, sir.

Senator GOLDWATER. You financed it yourself?

Mr. MALLOY. The campaigning I did, I did myself; yes.

Senator GOLDWATER. But you did it in the name of—

Mr. MALLOY. I didn't spend no money on the campaign.

Senator GOLDWATER. But you did it in the name of your local?

Mr. MALLOY. No, sir.

Senator GOLDWATER. Then you did not represent your local as being against Mr. Earl or being for the other candidate?

Mr. MALLOY. No, sir; I didn't.

Senator GOLDWATER. You were only speaking for yourself?

Mr. MALLOY. Speaking for myself, yes, sir.

Senator GOLDWATER. You said before, though, you were speaking for your union.

Mr. MALLOY. I didn't mean that. I am sorry.

Senator GOLDWATER. That is all, Mr. Chairman.

The CHAIRMAN. Do you still refuse to answer questions regarding your business relations with Clyde Crosby, aside from your union business?

Mr. MALLOY. Yes, sir. I decline.

The CHAIRMAN. Notwithstanding your being ordered and directed to do so, you still refuse?

Mr. MALLOY. I do.

Mr. KENNEDY. On the campaign of Mr. William Langley versus Mr. McCourt, why did the teamsters change from Mr. McCourt to Mr. William Langley? Why did they change their support?

(The witness conferred with his counsel.)

Mr. MALLOY. Well, I actually don't know.

Mr. KENNEDY. Did you ever attend a meeting when it was decided that you would support Mr. William Langley rather than Mr. McCourt?

(The witness conferred with his counsel.)

Mr. MALLOY. Well, not actually to any meeting where they were going to give the full support to Langley as candidate.

Mr. KENNEDY. You what?

Mr. MALLOY. I never attended no meetings; no. I attended a lot of meetings during the campaign; yes.

Mr. KENNEDY. How did you know that the teamsters were going to support Langley rather than McCourt?

Mr. MALLOY. Well, it was in the primary that I was told——

Mr. KENNEDY. Who told you?

Mr. MALLOY (continuing). At our joint council——

Mr. KENNEDY. Who told you? Who specifically told you?

Mr. MALLOY. John Sweeney.

Mr. KENNEDY. He said that?

Mr. MALLOY. Yes, sir.

Mr. KENNEDY. That you were going to support William Langley?

Mr. MALLOY. Yes, sir.

Mr. KENNEDY. Did your paper then come out for William Langley, your newspaper?

Mr. MALLOY. That is right.

Mr. KENNEDY. It came out immediately after hearing from John Sweeney?

Mr. MALLOY. Well, shortly after. I don't know just what dates it was.

Mr. KENNEDY. Mr. John Sweeney, he was up in Seattle at that time?

Mr. MALLOY. That is right.

Mr. KENNEDY. And he came down and told you that?

Mr. MALLOY. Yes. He was in town. I just don't know what date it was.

Mr. KENNEDY. So the decision as to who was going to be supported in the district attorney race in Portland was decided by Mr. John Sweeney up in Seattle; is that right?

Mr. MALLOY. Well, now, I don't know. He just told me that as an individual.

Mr. KENNEDY. Did the membership have a meeting and decide who was the better candidate between Langley and McCourt?

Mr. MALLOY. Not to my knowledge; no.

Mr. KENNEDY. It was just Mr. John Sweeney. Did he tell you that he discussed this with Frank Brewster?

Mr. MALLOY. No.

Mr. KENNEDY. He just said "This is what we are going to do"?

Mr. MALLOY. He just told me that we was going to support Bill Langley.

Mr. KENNEDY. So did you take an active part, then, supporting Bill Langley?

Mr. MALLOY. That is right.

Mr. KENNEDY. Did you distribute signs?

Mr. MALLOY. I did.

Mr. KENNEDY. Did you meet with Mr. Elkins on that?

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that question.

Mr. KENNEDY. That does not have anything to do with your indictment. That has nothing to do with the Mount Hood Cafe, your relationship with Mr. Elkins and Mr. Langley. Tell us about that.

(The witness conferred with his counsel.)

Mr. MALLOY. I decline to answer that.

Mr. KENNEDY. What has that got to do with the statement that you made that the reason you do not want to answer these questions is because you are under indictment? Tell us about the campaign, and the support of the teamsters of Mr. William Langley.

Mr. MALLOY. I decline to answer that question on Elkins.

Mr. KENNEDY. What about Mr. Langley? Do you decline on Mr. Langley? Will you answer those questions now?

(The witness conferred with his counsel.)

Mr. MALLOY. I have to decline on the same instance I already declined.

The CHAIRMAN. Any further questions?

The Chair will instruct the chief counsel to have the staff immediately prepare the resolution of contempt against this witness.

You will stand by. You are still under subpena. Your further testimony may be desired.

The committee will stand in recess until 3 o'clock this afternoon.

(Members present at the taking of the recess: The Chairman, Senators Mundt and Goldwater.)

(Whereupon, at 12:07 p. m., the committee recessed, to reconvene at 3 p. m., the same day.)

AFTERNOON SESSION—3 P. M.

(Members present at the convening of the afternoon session: The chairman, Senators McNamara and Goldwater.)

The CHAIRMAN. The committee will come to order.

Mr. Lloyd Hildreth, come forward, please.

The CHAIRMAN. Mr. Hildreth, will you be sworn, please?

Do you solemnly swear that the evidence you shall give before this select Senate committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HILDRETH. I do.

TESTIMONY OF LLOYD HILDRETH, ACCOMPANIED BY COUNSEL, CLIFFORD D. O'BRIEN

The CHAIRMAN. State your name, your place of residence and your business or occupation, please?

Mr. HILDRETH. My name is Lloyd Hildreth. I reside in Portland, Oreg. I am the secretary of teamsters local 223.

The CHAIRMAN. You have your counsel present?

Mr. HILDRETH. Yes, sir.

The CHAIRMAN. Counsel, I believe you identified yourself for the record this morning. State your name again.

Mr. O'BRIEN. Clifford D. O'Brien. I am the same Mr. O'Brien who represented Mr. Malloy.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hildreth, how long have you been in the teamsters?

Mr. HILDRETH. I became a member of the teamsters union about, I believe, 1936 or 1937.

Mr. KENNEDY. How long have you been an officer of the teamsters?

Mr. HILDRETH. I went to work as an officer in 1941.

Mr. KENNEDY. Where did you come from originally? Where did you come from?

Mr. HILDRETH. From my home?

Mr. KENNEDY. Always Portland?

Mr. HILDRETH. I am a native Oregonian; yes, sir.

MR. KENNEDY. What was the office that you took in 1941?

MR. HILDRETH. I was an organizer for the warehouse local No. 206.

MR. KENNEDY. How long have you held your present position?

MR. HILDRETH. Since February 1954.

(At this point, Senator Mundt entered the hearing room.)

MR. KENNEDY. In that position that you hold, are you the one that is responsible for putting pickets on places?

MR. HILDRETH. I probably would be, yes, sir, in most cases.

MR. KENNEDY. Mr. Hildreth, you were in the room this morning when we discussed the Mount Hood Cafe incident.

MR. HILDRETH. Yes.

MR. KENNEDY. Did you order the pickets put on the Mount Hood Cafe?

MR. HILDRETH. No, sir.

MR. KENNEDY. If that is ordinarily your responsibility, why did you not do that this time? Why had you not been the one that ordered the pickets on this occasion?

MR. HILDRETH. Well, the only thing I can say is that Mr. Crosby is the one who ordered the pickets over there.

MR. KENNEDY. He is the one that made the decision that there should be pickets?

MR. HILDRETH. Yes, sir.

MR. KENNEDY. He is your superior officer; is he not?

MR. HILDRETH. He is the international representative in that area.

MR. KENNEDY. Is it not rather unusual for the international organizer to step in and order pickets?

MR. HILDRETH. It is kind of an unusual situation. I don't know. He has, I would say, the authority.

MR. KENNEDY. Had he done it on any other occasions?

(At this point, Senator Kennedy entered the hearing room.)

MR. HILDRETH. I don't remember any other occasion; no, sir.

MR. KENNEDY. Do you know what the circumstances were that brought about his ordering the pickets at the Mount Hood Cafe and these other places?

MR. HILDRETH. No, sir, I don't.

MR. KENNEDY. He never explained that to you?

MR. HILDRETH. Not that I recall.

MR. KENNEDY. Did he ever mention to you anything about the Acme Amusement Co?

MR. HILDRETH. No, sir.

MR. KENNEDY. He did not?

MR. HILDRETH. No, sir.

MR. KENNEDY. Were you surprised to hear that pickets had been ordered at these places, these taverns?

MR. HILDRETH. Well, I didn't know anything about it, what caused it or anything of that kind.

MR. KENNEDY. Did you ask any questions as to who had ordered them, why they had been put there?

MR. HILDRETH. I don't remember discussing it with him.

MR. KENNEDY. You cannot remember too much about this incident except the fact that you did not put them there; is that right?

MR. HILDRETH. That is correct.

MR. KENNEDY. I would like to say, Mr. Chairman, that we have, in our investigation, received no derogatory information on Mr. Hil-

dreth, and his name has not come into the hearing except as a possible witness that could tell us about the ordering of the pickets.

The CHAIRMAN. Mr. Hildreth, you say you did not order the pickets?

Mr. HILDRETH. No, sir.

The CHAIRMAN. You did not order the picketing?

Mr. HILDRETH. No, sir.

The CHAIRMAN. Is that part of the duties and responsibilities you have as secretary of that local?

Mr. HILDRETH. Well, it would normally be, I think.

The CHAIRMAN. Do you know of any other occasion where an international representative has come down and taken charge without consulting with the local officials of the union?

Mr. HILDRETH. I can't—I wouldn't recall, really, no.

The CHAIRMAN. Then you would say this action was most unusual, would you not?

Mr. HILDRETH. Well, I would say that it is not the usual thing.

The CHAIRMAN. If it is not usual, it is unusual?

Mr. HILDRETH. That is correct.

The CHAIRMAN. You never talked to Mr. Crosby about it before the pickets were ordered?

Mr. HILDRETH. No, I don't recall discussing it.

The CHAIRMAN. In other words, you had no notice of it at all?

Mr. HILDRETH. Not that I recall, no.

The CHAIRMAN. And they were not ordered by a vote of the membership of the union?

Mr. HILDRETH. Not to my knowledge.

The CHAIRMAN. And they were not ordered by any other officer of the local, so far as you know?

Mr. HILDRETH. Not to my knowledge.

The CHAIRMAN. You would be the one. If the local was ordering it done or directing it to be done, that order and direction would come through you; would it not?

Mr. HILDRETH. That would be, I think, the right thing.

The CHAIRMAN. That would be the right way to do it. When you found out it had been done by an international officer, did you inquire to ascertain the reason why these places were being picketed?

Mr. HILDRETH. Well, I don't recall any direct conversation about it, but I understood it was for organizational purposes.

The CHAIRMAN. For organizational purposes?

Mr. HILDRETH. Yes, sir.

The CHAIRMAN. You did not know it was to force them to take a certain kind of slot machine or pinball machine?

Mr. HILDRETH. Not—no.

The CHAIRMAN. Not at that time?

Mr. HILDRETH. No, sir. I don't know anything of that kind, no, sir.

The CHAIRMAN. You have learned of it since?

Mr. HILDRETH. Well, I guess that is what these hearings are about.

The CHAIRMAN. You guess that is what it is all about. Well, it is a strange thing, is it not, to have a place picketed without the union, the local having jurisdiction over that area, being consulted about it and knowing about it, and ordering it done?

Mr. HILDRETH. I would say it was not the usual course.

The CHAIRMAN. Are there any other questions?

Senator McNAMARA. Did I understand from the records that you are secretary of the local union?

Mr. HILDRETH. Yes, sir.

Senator McNAMARA. Are you also business manager?

Mr. HILDRETH. Yes.

Senator McNAMARA. From my experience with unions, ordinarily the business manager has the authority, or usually assumes the responsibility and authority, for picketing by unions, and not usually the secretary, unless he is a combination secretary and business manager. Is that your role in this?

(The witness conferred with his counsel.)

Mr. HILDRETH. I think our term of secretary is the head official in the local union, and I think in some unions they do call them business managers.

Senator McNAMARA. Thank you.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. How did you first learn of the fact that the teamsters were picketing the Mount Hood Cafe?

Mr. HILDRETH. I just don't—I am trying to recollect. I believe that Mr. Malloy told me he was going over there.

Senator MUNDT. You learned about it from Mr. Malloy, to the best of your recollection?

Mr. HILDRETH. I believe so. It has been some time.

Senator MUNDT. Did you inquire of Mr. Malloy at that time what the purpose of the picketing was?

Mr. HILDRETH. No, except, as I say, I thought it was for organizational purposes.

Senator MUNDT. It would occur to me if ordering pickets was part of your job and somebody else told you "I am putting pickets around a certain place," the human thing to do would be to say "How come you are doing this instead of coming through the usual route?"

Mr. HILDRETH. Well, that is the way it was done. That is all I can answer you.

Senator MUNDT. Does Mr. Malloy hold a position superior to yours or inferior to yours in the ranks of the officialdom of the union?

Mr. HILDRETH. I would say that I would be his superior.

Senator MUNDT. That is the way I construed it. In view of that, when one of your subordinate officers had taken over the responsibility of part of your office by ordering pickets, I would think simple courtesy would induce you to say, "Well, how come you are doing this?"

Mr. HILDRETH. As I say, Mr. Crosby—

Senator MUNDT. Mr. Malloy told you Mr. Crosby had ordered them, is that it?

Mr. HILDRETH. I believe that is it. That is correct. Mr. Crosby.

Senator MUNDT. And Mr. Crosby would be a superior officer of yours rather than a subordinate?

Mr. HILDRETH. Of mine, yes, sir.

Senator MUNDT. In answer to a question that the chairman asked you, when he asked whether a vote of the membership was held to call the pickets into being, I think you said to the best of your knowledge no such vote was taken. Is that right?

Mr. HILDRETH. That is correct.

Senator MUNDT. Let me ask you: Had a vote been taken, as secretary you would have known about it, would you not?

Mr. HILDRETH. Yes, that is correct. Yes.

Senator MUNDT. So, actually, you can tell us definitely that no vote of the membership was taken to call this particular strike?

Mr. HILDRETH. That is correct; yes, sir.

Senator MUNDT. Thank you.

The CHAIRMAN. Senator Kennedy?

Senator KENNEDY. How often does the union meet?

Mr. HILDRETH. Once a month.

Senator KENNEDY. What percentage of the membership attends?

Mr. HILDRETH. I am sorry to say not too large.

Senator KENNEDY. How many are in the union?

Mr. HILDRETH. We have at the present time a local union of slightly less than 800.

Senator KENNEDY. What would you think would be an average attendance?

Mr. HILDRETH. Probably 30 to 40.

Senator KENNEDY. What is your term of office?

Mr. HILDRETH. I was appointed, sir.

Senator KENNEDY. Appointed by whom?

Mr. HILDRETH. John Sweeney.

Senator KENNEDY. By John Sweeney.

And Mr. Malloy, was he elected or appointed?

Mr. HILDRETH. I believe he was appointed. He was working for local 223 when I was put in there.

Senator KENNEDY. How long have you been in?

Mr. HILDRETH. Since February of 1954.

Senator KENNEDY. Does that mean you can be removed and can Mr. Malloy be removed by Mr. Sweeney's successor?

Mr. HILDRETH. It is my understanding, yes, sir.

Senator KENNEDY. What officers of the local are elected by the membership?

Mr. HILDRETH. They are not. They are appointive officers.

Senator KENNEDY. You have no elections in the local?

Mr. HILDRETH. We don't have, no.

Senator KENNEDY. Is that customary for all locals in that area?

Mr. HILDRETH. No, sir, it isn't.

Senator KENNEDY. When did you have a local election last for any officer of your local?

Mr. HILDRETH. There hasn't been any since I have been connected with it.

Senator KENNEDY. Do you think that is one reason why you do not have many members coming to the meetings?

Mr. HILDRETH. It could possibly be, although I try to run it in a fashion that I think it should be taken care of.

Senator KENNEDY. Who do you now regard as your superior? Who would appoint your successor?

Mr. HILDRETH. Well, the international union would be the one to appoint the successor, if there was one.

Senator KENNEDY. Mr. Brewster?

Mr. HILDRETH. It would have to come from the office here in Washington, the international office. That is, the authorization.

Senator KENNEDY. My last question is this: Some reference was made to the Langley campaign, that the teamsters in your area were originally supporting Mr. Langley's opponent. As a result of Mr. Elkins work and Mr. Maloney's work the teamsters then supported Mr. Langley. Are you familiar with that?

Mr. HILDRETH. I remember the election, yes, sir.

Senator KENNEDY. Did your local, or did you, play any part in supporting Mr. Langley?

Mr. HILDRETH. No, I didn't participate.

Senator KENNEDY. So far as you know, there was no message or there was no word that went through you, or with your knowledge, for the teamsters in that area to support Mr. Langley?

Mr. HILDRETH. I don't think I quite understand you, sir.

Senator KENNEDY. Do you know whether the teamsters in Portland supported Mr. Langley?

Mr. HILDRETH. Yes. I mean, as a policy, yes.

Senator KENNEDY. How was that decision reached?

How did you know?

Mr. HILDRETH. I wouldn't know.

Senator KENNEDY. Did anyone ask you to support Mr. Langley?

Mr. HILDRETH. Well, as part of the group, as part of the teamsters union, it is generally the policy to support the candidates that the whole, overall unit would be voting for, so we would be expected to follow suit.

Senator KENNEDY. Who would lay down that word or reach that decision as to which candidates they would support?

Mr. HILDRETH. Well, I don't know. They have the legislative committee in the joint council, and I suppose it would be up to them to go through the candidates, and if there were any candidates to be supported, they would be the ones who would announce it.

Senator KENNEDY. In other words, you were not called in, from your position, and to the best of your knowledge, no member of your local was called in, when that decision was reached, but you were merely informed of the decision, and you were expected to support it.

Is that correct?

Mr. HILDRETH. That is fundamentally correct, yes, sir.

Senator KENNEDY. Thank you very much.

Senator GOLDWATER. Mr. Hildreth, do the bylaws of your union call for a strike vote prior to the strike?

Mr. HILDRETH. No, I don't know of any rule or regulation that calls for a vote of the entire membership. If we have a contract with someone and we are having difficulty, then the people who are involved in it, they would vote.

Senator GOLDWATER. Then a strike could be called by the heads of the international in Seattle, is that correct?

Mr. HILDRETH. Well, I wouldn't say. It has never happened, to my knowledge. I wouldn't want to say that it did happen or it could.

Senator GOLDWATER. In this particular case involving the tavern that we are talking about, what do you think would have happened if you, yourself, after having found out the pickets were there, took it onto yourself to order them off?

Mr. HILDRETH. I don't think—it just wouldn't have been done. I would probably quit before I would have done it.

Senator GOLDWATER. Would you have been secretary very long had you done it?

Mr. HILDRETH. I doubt it.

Senator GOLDWATER. I have one more question. Regarding the support of political candidates who are chosen by somebody up above, has your local ever been asked to contribute to those campaigns with money?

Mr. HILDRETH. To my knowledge, our local union hasn't made any financial contributions.

Senator GOLDWATER. Have you been asked to contribute men to work prior to election day?

Mr. HILDRETH. We did use men on Saturday, on their time off, to deliver door-to-door literature.

Senator GOLDWATER. But you did not take them off their jobs and pay them out of the layoff fund?

Mr. HILDRETH. No, sir.

Senator GOLDWATER. That is all. Thank you.

The CHAIRMAN. You said there have been no elections since you have been a member of that local, is that correct?

Mr. HILDRETH. That is correct, yes, sir.

The CHAIRMAN. How long have you been a member?

Mr. HILDRETH. Since 1954.

The CHAIRMAN. Do you know when they had an election prior to that time?

Mr. HILDRETH. No, I don't.

The CHAIRMAN. Of course if all the officers are appointed, and I believe you said they were, there is no occasion to hold an election, is there?

Mr. HILDRETH. No, that is correct, although I say I wouldn't know whether they had any elections prior to my being there or not.

The CHAIRMAN. You would not know?

Mr. HILDRETH. No, I don't know that.

The CHAIRMAN. I do not quite understand. I thought labor organizations were rather democratic, and that the local unions have a right to elect their own officers. What is the situation there that you do not have elections, that you just get appointed?

Mr. HILDRETH. Well, this particular local union is in what we call trusteeship.

The CHAIRMAN. Why is it in trusteeship?

Mr. HILDRETH. I can't answer that. I was just appointed. That was the condition it was in when I got there.

The CHAIRMAN. As secretary of it, why would you not know?

Mr. HILDRETH. I could only explain it this way: It is my understanding that, for some particular reasons, financial reasons, or reasons that the local union is not functioning properly, it can be placed in trusteeship by the international union until such time as it is deemed to be in proper condition to be taken out of trusteeship.

The CHAIRMAN. As secretary of it, I understood you to say that you are the head officer of that local?

Mr. HILDRETH. That is correct; yes, sir.

The CHAIRMAN. Tell us when it went into trusteeship and why, and what is keeping it in there.

Mr. HILDRETH. I can't answer you as to when it was placed in trusteeship. I don't know that.

The CHAIRMAN. Do the records not show?

Mr. HILDRETH. Well, I have never checked back to find out if they do.

The CHAIRMAN. What have you done to try to get it out of trusteeship?

Mr. HILDRETH. I have spent a lot of time and effort attempting to organize the jurisdiction that it covers.

The CHAIRMAN. What do you mean, organize the jurisdiction it covers?

Mr. HILDRETH. Well, our jurisdiction is called miscellaneous drivers. It is light-delivery drivers, small-parcel delivery, and any number of other smaller units. We have spent considerable time and effort to organize it to get the membership up to the point where our finances are on a sound, firm basis. I had hoped, frankly, that we were just about there, and had even discussed with Mr. Crosby sometime back about taking it out of trusteeship.

The CHAIRMAN. What is the state of your finances?

Mr. HILDRETH. We had, I think around last month, around \$7,000 in the treasury.

The CHAIRMAN. How much?

Mr. HILDRETH. Around \$7,000.

The CHAIRMAN. What dues to you charge?

Mr. HILDRETH. \$5.25, sir.

The CHAIRMAN. A month?

Mr. HILDRETH. Yes, sir.

The CHAIRMAN. And you have how many members?

Mr. HILDRETH. We have just slightly less than 800.

The CHAIRMAN. What are the principal expenses? What is that money spent for? It seems to me like it would not take it very long to get out of any financial difficulties.

Mr. HILDRETH. One dollar of the dues goes to provide an insurance. All of our members are covered under a blanket insurance, and \$1 of that goes for that. The principal distribution of the rest of the money would be salaries and per capitas, they are called per capitas, and just the normal expense of operating the local union.

The CHAIRMAN. Is it a fact that some of these unions get a trusteeship and continue for many years under trusteeship without the right, privilege, and opportunity of the membership to vote and elect their officers? Do you know that to be a fact?

Mr. HILDRETH. I couldn't say how long some of them have been in trusteeship. I suppose that that could be true. I wouldn't know.

The CHAIRMAN. I do not know about the teamsters' union, but I received a letter from 1 place that said they had not had an election in 20 years.

Mr. HILDRETH. I don't know of anything—

The CHAIRMAN. I am just trying to find out. In these unions where some of these things are occurring that have been related here, the rank and file of the membership seem to have completely lost control, and the unions are in the hands of those that are misusing them. What would you say about your union?

Mr. HILDRETH. About my particular union?

The CHAIRMAN. Yes; the one you belong to.

Mr. HILDRETH. I felt I have personally been trying to do a good job.

The CHAIRMAN. That is just about you. Do you feel that your union is self-sustaining now, and that the men should have a right to elect their own officers? Do you feel that way about it?

Mr. HILDRETH. I think we are on pretty firm ground; yes, sir; I do.

The CHAIRMAN. All right.

Senator MUNDT. Is Mr. Malloy an employee of your union?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. What is his annual remuneration?

Mr. HILDRETH. I think he gets either \$110 or \$120 a week.

Senator MUNDT. Plus expenses?

Mr. HILDRETH. He has a car allowance. Did you mean daily expenses?

Senator MUNDT. Well, out-of-pocket expenses. Is he, as of today, an employee of the union?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. As secretary of your organization, you, of course, have read, I presume, the charter, the bylaws, and the constitution of your union, have you not?

Mr. HILDRETH. We have a charter, which I have read. We don't have any local bylaws. We have the international bylaws.

Senator MUNDT. You have read those, have you?

Mr. HILDRETH. Yes; I have.

Senator MUNDT. Do they provide for the local election of officers, where there is no trusteeship?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. How often?

Mr. HILDRETH. I am not going to say that they are not allowed to have them oftener, but I think there is a provision in there for the officers to have a 5-year term; that is, the elected secretaries. I believe the provisions for the board members differ somewhat from that.

Senator MUNDT. The official title Mr. Malloy has is business agent?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. Is that an elected office where a union is not in trusteeship?

Mr. HILDRETH. I believe that would depend in the local union. I think in some of them the men are elected. I believe in others the secretary is elected and has the authority to appoint them, the business agents.

Senator MUNDT. In your own individual union, what is the status?

Mr. HILDRETH. We were both appointed.

Senator MUNDT. That is because you are under a trusteeship?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. If you were not under a trusteeship, and you were the secretary elected by the members, in your particular union would you have the right, then, to appoint or not appoint Mr. Malloy, or in your union, under those conditions, would he be subject to an election by his fellow members?

Mr. HILDRETH. Well, that would be something that would have to be discussed at the time that it was taken out of trusteeship, as to how the elections were to be set up, as to whether or not both the secretary

and the business agent would be elected, or if the secretary was elected and the business agent appointed.

Senator MUNDT. Under your trusteeship, where you are now, and you have said you have read the bylaws of the international union, do the bylaws of the international union provide any way in which a local like yours can escape from the trusteeship, or is that left to the whim and caprice of the international officials?

Mr. HILDRETH. No. I believe there is a provision in there whereby the members may petition the international union to remove it from trusteeship.

Senator MUNDT. Since you have been connected with the local, has such a petition ever been submitted?

Mr. HILDRETH. No, sir.

Senator MUNDT. It has not?

Mr. HILDRETH. No, sir.

Senator McNAMARA. The witness indicates he has been a member of the teamsters union since 1937.

Is that correct?

Mr. HILDRETH. Myself?

Senator McNAMARA. Yes.

Mr. HILDRETH. Yes, sir.

Senator McNAMARA. This was not the same local union, I take it?

Mr. HILDRETH. No, sir.

Senator McNAMARA. Were you a member in 1937 of what you refer to as local 343?

Mr. HILDRETH. No, sir. It is 223.

Senator McNAMARA. 223?

Mr. HILDRETH. Yes.

No, I was not a member of this union at that time. It was a different local union.

Senator McNAMARA. When you first became a member in 1937, you were a member of a local that did have local autonomy, as the term is commonly used, where you elect your own officers in such thing, or was that also a union in trusteeship?

Mr. HILDRETH. No. We had elections, regular elections.

Senator McNAMARA. And in 1941 you were an officer of a local?

Mr. HILDRETH. I was at that time appointed by the union as an organizer.

Senator McNAMARA. Appointed by a local union to represent the local, not the international?

Mr. HILDRETH. No, just to represent the local union.

Senator McNAMARA. Then this local was one that was not under trusteeship?

Mr. HILDRETH. Yes, sir, that is correct.

Senator McNAMARA. Is this your only experience with a local under trusteeship as an officer?

Mr. HILDRETH. Yes, sir.

Senator McNAMARA. Do you happen to know whether a great number of local unions that make up the western district—if that is what you term it—are under trusteeship, or are most of them operated under local autonomy?

Mr. HILDRETH. I don't think I can answer that. I don't have any knowledge of that.

Senator McNAMARA. Do you know of another local union that is under trusteeship?

Mr. HILDRETH. Yes.

Senator McNAMARA. Then it is quite common, rather than the exception?

Mr. HILDRETH. No. I can only speak of our own vicinity. That is the only one I am familiar with.

Senator McNAMARA. But you only know of one more that is under trusteeship, or do you know of several more?

Mr. HILDRETH. No, I only know of one, I believe, that is under trusteeship.

Senator McNAMARA. You said you had how many members? 400?

Mr. HILDRETH. No. We have slightly less than 800.

Senator McNAMARA. And your dues, as I understand, were \$5 a quarter or \$5 a month?

Mr. HILDRETH. \$5 and a quarter.

Senator McNAMARA. \$5 for 3 months?

Senator MUNDT. \$5.25 per month.

Mr. HILDRETH. No. It is \$5.25 per month, not for a 3-month period.

Senator McNAMARA. A 3-month period, then, would be \$15.

Mr. HILDRETH. That is correct.

Senator McNAMARA. I thought there was a little confusion, and we ought to clear it up for the record.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. During this period of time, were you taking the pinball operators into the union?

Mr. HILDRETH. When you refer to a period of time——

Mr. KENNEDY. Early 1955, January or February?

Mr. HILDRETH. Yes.

Mr. KENNEDY. Mr. Elkins had come into the union already, Mr. Elkins' employees?

Mr. HILDRETH. To my knowledge, Mr. Elkins himself was never a member of the union.

Mr. KENNEDY. No, but Mr. Elkins' employees. He was an employer. Were Mr. Elkins employees in the union?

Mr. HILDRETH. In the early part of 1955, yes, sir.

Mr. KENNEDY. Do you know what the circumstances were under which his people came into the union?

Mr. HILDRETH. Yes.

Mr. KENNEDY. Would you tell us that?

Mr. HILDRETH. I was told by Mr. Crosby that there were some of the pinball operators that were desirous of coming into the union, and he told me to go over and contact them and talk about their coming into the union, which I did.

Mr. KENNEDY. Who besides Mr. Elkins' people did you take into the union?

This is late 1954, November or December 1954.

Mr. HILDRETH. I don't think that I took anyone into the union in 1954. I think the only people in that industry that I took into the union was after January of 1955.

Mr. KENNEDY. Would anybody else have a right to take people into the union other than yourself?

Mr. HILDRETH. If they came into the local union that I represent, I would know about it.

Mr. KENNEDY. But you did not know of any of his employees being members of the union?

Mr. HILDRETH. Not prior to that time.

Mr. KENNEDY. They were taken in early in 1955, do you think?

Mr. HILDRETH. I think our records would show that they came in in—

Mr. KENNEDY. Did Mr. Crosby tell you to go see them?

Mr. HILDRETH. He gave me the name of the company.

Mr. KENNEDY. Why would he know about that rather than yourself?

Mr. HILDRETH. Well, that wouldn't be uncommon. Someone may have called him.

Mr. KENNEDY. Anybody that wanted to get into the union could get into the union then?

Mr. HILDRETH. Do you mean anybody in that particular industry or just anybody?

Mr. KENNEDY. Anybody in the pinball operation. Could he get into the union during this period of time?

Mr. HILDRETH. As far as I knew, yes.

Mr. KENNEDY. Do you know if anybody applied and was turned down?

Mr. HILDRETH. Well, we were taking some of these operators in about the first part of that year, and I was told to hold up on Mr. Stan Terry and Mr. Lou Dunis for a while.

Mr. KENNEDY. Who told you to hold up on Mr. Stan Terry and Mr. Lou Dunis?

Mr. HILDRETH. Mr. Crosby.

Mr. KENNEDY. For what reason?

Mr. HILDRETH. Well, he didn't say right at the time. As I recall, he didn't say right at the time.

Mr. KENNEDY. What reason was there? Did you ever learn what the reason was he did not want Stan Terry and Lou Dunis in the union?

Mr. HILDRETH. I was told that it concerned some connection that they may have had with Mr. Elkins.

Mr. KENNEDY. You just let Mr. Elkins in the union, Mr. Elkins' employees, did you not?

Mr. HILDRETH. I did take them in the first part.

Mr. KENNEDY. And then you would not let—

Mr. HILDRETH. I am trying to piece the thing together a little bit.

Mr. KENNEDY. I just want the truth, Mr. Hildreth.

Mr. HILDRETH. That is all I am trying to give you, sir.

Mr. KENNEDY. You let Mr. Elkins' employees in, and then immediately after, when Mr. Terry's employees tried to get in, you would not let them in because they were associated with Mr. Elkins? Is that something you have been told since that time?

Mr. HILDRETH. No. I am trying to remember. It was at that time, when that discussion came up, that I was told to hold any applications up for a while.

Mr. KENNEDY. What did they have against Mr. Elkins?

Mr. HILDRETH. I don't know Mr. Elkins. I don't know.

Mr. KENNEDY. Did you give Mr. Terry a withdrawal card in December of 1954?

Mr. HILDRETH. I believe about that time.

Mr. KENNEDY. Why did you give him a withdrawal card?

Mr. HILDRETH. Mr. Crosby advised me to.

Mr. KENNEDY. Why did he advise you to put Mr. Terry out of the union in December 1954?

Mr. HILDRETH. I don't know. I don't remember.

Mr. KENNEDY. Was this, again, because of Mr. Elkins, his tieup with Mr. Elkins, or what?

Mr. HILDRETH. I don't know.

Mr. KENNEDY. You see, the thing is you put him out of the union in December 1954. You took Mr. Elkins in, according to your testimony, shortly afterward. Mr. Terry then tried to get in the union. You picketed the Mount Hood Cafe, where Mr. Terry had his operation. Then you won't let Mr. Terry in.

Mr. HILDRETH. Mr. Terry came in; his people, I will put it that way, came in, I believe, the latter part of February or March.

Mr. KENNEDY. I think you will find it is the end of March. How did he get into the union? Why did you give him a withdrawal card and then let him in the union? Who gave those instructions?

Mr. HILDRETH. Mr. Crosby.

Mr. KENNEDY. Mr. Crosby was running this thing completely, then, was he, about who could get in the union from the pinball operators and who should stay out?

Mr. HILDRETH. That is the only instance I know of.

Mr. KENNEDY. You have the instance of Mr. Terry, Mr. Dunis, and then he puts the pickets on the Mount Hood Cafe, and then he gives instructions about Elkins. Why did you let Mr. Norman Nemer in the union? Did you let him in, him and his employee?

Mr. HILDRETH. Yes.

Mr. KENNEDY. Who gave you the instructions for that?

Mr. HILDRETH. I think at that time—I think there were others who came in at that time.

Mr. KENNEDY. I think, if you will look at your records, you will find he is the first one that got in the union. Mr. Elkins had come in much earlier through Mr. Maloney, Mr. Elkins' employees. Then you let Mr. Norman Nemer in and one employee. Why did you let Mr. Norman Nemer in? Did you discuss that with Mr. Crosby?

Mr. HILDRETH. No. I don't remember discussing Mr. Nemer with Mr. Crosby. But I believe, if my memory is correct, that there were others who were in the union at about that time.

Mr. KENNEDY. There might have been some small operators, but there were no major operators. None of the major operators got in. He got in in February of that year, Mr. Hildreth.

Mr. HILDRETH. You are speaking of whom?

• Mr. KENNEDY. Norman Nemer. You discussed with Mr. Crosby about Mr. Wright getting into the union, and Mr. Wright is the one that set up the Acme Amusement Co. Was that discussed with you? Who gave instructions to allow him into the union?

Mr. HILDRETH. Mr. Crosby told me to go over and see them. He thought that that was one of the places where he thought they wanted to come into the union.

Mr. KENNEDY. He is the one that gave the instructions for Mr. Budge Wright to get into the union, of the Acme Amusement Co.?

Mr. HILDRETH. That is correct, although I will say I didn't know of any Acme Amusement. I have always known it as the Western Distributors.

Mr. KENNEDY. That was his company name.

Mr. Chairman, here is—

Senator MUNDT. Have you finished?

Mr. KENNEDY. This is the withdrawal card of Stan Terry which I wanted to put in as an exhibit.

The CHAIRMAN. The Chair directs the clerk to present to you what is entitled an "Honorable Withdrawal Card," the original, which appears to be dated the 30th day of November 1954, and made to Mr. Stan Terry, and bearing the signature of L. E. Hildreth, secretary, together with a letter, apparently from you, dated November 22 to Mr. Terry with reference to this card, and another letter of October 6, 1955, from you to Mr. Stan Terry. I ask that you examine them for the purpose of identification.

(Documents handed to witness.)

The CHAIRMAN. Is that the original withdrawal card which you issued to Mr. Terry?

(The witness conferred with his counsel.)

Mr. HILDRETH. I believe it is, sir.

The CHAIRMAN. Is that your signature on the card?

Mr. HILDRETH. Yes, sir.

The CHAIRMAN. Then the card may be made exhibit No. 34.

(The document referred to was marked "Exhibit No. 34" for reference and will be found in the appendix on p. 432.)

The CHAIRMAN. I ask you to examine the two letters and see if those are letters that you wrote to Mr. Terry.

(The witness conferred with his counsel.)

Mr. HILDRETH. It is my signature.

The CHAIRMAN. They will be made exhibits 34-A and 34-B.

(The documents referred to were marked "Exhibits 34-A and 34-B" for reference, and will be found in the appendix on pp. 433, 434.)

The CHAIRMAN. Will you read the top letter, the one that accompanied the withdrawal card?

Mr. HILDRETH (reading):

Mr. STAN TERRY,

1451 Northeast Alberta, Portland Oreg.

DEAR SIR AND BROTHER: This withdrawal card is being issued to you by directive of the international union, through Clyde C. Crosby, international organizer. You will also find enclosed our check in the amount of \$5 which is in refund of December dues.

The CHAIRMAN. He had paid his dues?

Mr. HILDRETH. Sir?

The CHAIRMAN. He had paid his dues? You had to refund his dues along with sending him the card?

Mr. HILDRETH. Yes, sir.

The CHAIRMAN. And you got orders to put him out of the union from Clyde Crosby?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. Following up on that, that was what date, Mr. Hildreth, when you wrote that letter? What is the date of that letter?

Mr. HILDRETH. November 22, 1954.

Senator MUNDT. November of 1954. And you testify that the latter part of March 1955, you reissued a card to this same Mr. Terry; is that correct?

Mr. HILDRETH. I believe it was either February or March.

Senator MUNDT. In that general area of time.

Mr. HILDRETH. Yes, sir.

Senator MUNDT. And that you reissued the card at the request of the same Mr. Crosby who had asked you earlier to refund the dues; is that correct?

Mr. HILDRETH. Yes, sir.

Senator MUNDT. Can you recall for the committee what reason Mr. Crosby gave you in 1955 for reissuing the card to Mr. Terry?

Mr. HILDRETH. What reason he gave?

Senator MUNDT. Yes; for reissuing the card.

Mr. HILDRETH. I don't believe he gave me any reason, other than to say we could take him into the union.

Senator MUNDT. Did he give you any reason for putting him out of the union when he put him out?

Mr. HILDRETH. No; I don't remember any particular reason.

Senator MUNDT. Under the normal operation of things, Mr. Hildreth, if you have a union man and he is paying his dues, he is current, to issue him a withdrawal card, there must be a reason. Must there not be a reason that you send him a card and give him back his money?

Mr. HILDRETH. There probably would be, but I didn't discuss any particular reason about it.

Senator MUNDT. You are quite sure that, searching your memory carefully, Mr. Crosby did not give you any reason?

Mr. HILDRETH. Not that I recall.

Senator MUNDT. And he did not give you any reason when he said put him back in?

Mr. HILDRETH. No, not any specific reason, as I recall.

Senator MUNDT. Can you think of any general reason?

Mr. HILDRETH. The other operators were members of the union at that time?

Senator MUNDT. Did he say anything to the effect that either Mr. Sweeney or Mr. Brewster would like to have Mr. Terry back in at that time?

Mr. HILDRETH. I don't remember anything of that nature; no, sir.

Senator KENNEDY. I have a list here of 123 locals of the teamsters which are under trusteeship. This list comes from the teamsters. There are reasons given in most cases as to why they are put under trusteeship, but there is no reason given as to why local 223 was put under trusteeship. You have informed the committee that you do not know the reason, is that correct?

Mr. HILDRETH. That is correct. I don't know. I don't know any reason.

Senator KENNEDY. I think, Mr. Chairman, it would be helpful if we would ask the teamsters to supplement this information. They have given us rather brief reasons in each case, but it would be helpful, also, if they could tell us how long each one of these locals has been in trusteeship.

The CHAIRMAN. The staff will prepare a letter for my signature to the Teamsters International here in Washington.

Mr. KENNEDY. I might say, Senator Kennedy, that we asked for that information, and I guess they just haven't sent it.

Senator KENNEDY. Thank you.

The CHAIRMAN. Have they indicated whether they will supply it?

Mr. KENNEDY. They said they would, Mr. Chairman.

The CHAIRMAN. Well, just follow it with a telephone call, then.

Senator KENNEDY. I understand this is 123, and that there are approximately 1,000 locals in the country, and 123 of them are in trusteeship. I wonder if we could get that information, what percentage of the locals are in trusteeship, if Mr. Hildreth cannot furnish us with that.

Mr. HILDRETH. I don't know.

Senator KENNEDY. Thank you.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you very much. You may stand aside.

Mr. KENNEDY. Mr. Chairman, we have an affidavit from Mr. Wright, partner of the Acme Amusement Co., and also a copy of the contract that they signed for the Acme Amusement Co. They possibly may be made part of the record.

The CHAIRMAN. Does the committee wish to hear the affidavit read?

If not, without objection the affidavit of Mr. Veral T. Wright, dated the 28th day of February, 1957, together with what appears to be the photostatic copy of the partnership agreement between Budge Wright, Herman Walter, Joe P. McLaughlin, and Fred E. Elkins, will be printed in the record at this point.

(The document referred to follows:)

CITY OF WASHINGTON,
District of Columbia, ss:

I, Veral T. Wright, also known as Budge Wright, being first duly sworn, depose and say that I have read and examined the photostat of a certain partnership agreement, bearing date of January 27, 1955, the same agreement being between Budge Wright, Herman Walter, Joseph P. McLaughlin, and Fred E. Elkins, and the name of the said partnership being Acme Amusement Co., is a true and correct copy of the original partnership agreement entered into by said partnership on said day for said purposes, and that my signature attached hereto and the signatures of the others are correct.

I make this statement voluntarily and of my own free will, without any promise of favor or intimidation.

VERAL T. WRIGHT.

Sworn to before me this the 28th day of February, 1957.

CHAS. E. ALDEN, *Notary Public*.

My commission expires August 14, 1957.

Witness:

THOMAS H. RYAN,
Attorney for Mr. Wright.

PARTNERSHIP AGREEMENT

This agreement made by and between Budge Wright, Herman Walter, Joe P. McLaughlin, and Fred E. Elkins, who agree to become partners in the business of operating various and sundry amusement devices of various kinds, and to repair, sell, rent, and lease said amusement equipment and devices for a valuable consideration, and by these presents do agree to be co-partners together under and by the name of Acme Amusement Company, and that the principal place of business shall be located in the City of Portland, Oregon.

Said partnership shall continue until said partners mutually agree to dissolve the same.

A majority of the four partners shall be authorized to determine all questions as to the conduct of the partnership business.

For the convenience in the transaction of the business of said partnership there shall be selected from among the partners a President and Treasurer; the duties to be performed by such Officer shall be those usual to the offices which they occupy respectively in business generally.

No partner shall sell, assign, give or otherwise dispose of his share and interest in said partnership until he has first offered said interest to the remaining partners, and that said remaining partner or partners may if they desire, purchase said interest and share, and the said interest so purchased or acquired shall be divided among the partners contributing to the purchase of said interest or share. The purchase price for said partnership interest shall be mutually agreed upon or in case of a difference, the price shall be ascertained by arbitration.

It is mutually and expressly understood and agreed between the parties hereto, that said partners shall share in the profits and proceeds from said business equally and also that each of said partners shall be liable for any losses incurred in the operation of said business in the same proportion.

Dated this 27th day of January, 1955.

BUDGE WRIGHT.
HERMAN WALTER.
J. P. McLAUGHLIN.
FRED E. ELKINS.

The CHAIRMAN. Mr. Elkins, come forward, please.

(Members present at this point: The Chairman, Senators Kennedy, McNamara, Mundt, and Goldwater.)

Mr. KENNEDY. Also, Mr. Chairman, here is the statement of Mr. Wright, which generally corroborates the story of Mr. Elkins.

The CHAIRMAN. I placed in another affidavit a moment ago.

Mr. KENNEDY. The other affidavit states that the partnership agreement which is attached is the partnership agreement which they signed for the Acme Amusement Co. This affidavit is signed by the same person, Mr. Budge Wright, and states the circumstances that arose that led up to the Acme Amusement Co.

The CHAIRMAN. Is there any objection on the part of any member to this being placed in the record without reading?

There is none. It will be placed in the record at this point.

(The document referred to follows:)

CITY OF WASHINGTON,
District of Columbia, ss:

I, Veral T. Wright, also known as Budge Wright, being first duly sworn, depose and say, that I am a coin machine distributor and have my business known as Western Distributors, at 1226 S. W. 16th, Portland, Oreg., from where I sell various types of coin operated amusement devices. I have been in the business for some 25 years.

The following is my best present recollection of the facts concerning the pinball industry in the State of Oregon, as it appertains to the matters upon which I was questioned approximately 2 weeks ago by Messrs. Kennedy and Adlerman in Portland, Oreg.

Sometime in the spring of 1954, a meeting was held in the Multnomah Hotel at which were present certain members of the Coin Machine Men of Oregon, among whom were myself, Stan Terry, Lou Dunis and I believe Harry Arnsberg. Also present was a Mr. John Sweeny from the teamsters union, and Lou Wolcher, a coin machine distributor from San Francisco. Possibly there was another union man present at this meeting, but I have no recollection of who it would be. It was an informal meeting and drinks were served. There was a lot of talking. I am not clear as to the details of what took place; however, the gist of the discussion related the advantages to the Coin Machine Men of Oregon in joining the union and the political and economic benefits that would accrue to them as employers having union connections. At this time and thereafter, as well, the operation of pinball machines in the Portland area had been under attack by the city council and it was felt that an alliance between organized labor and the pinball operators would be advantageous to the operators in preserving their business.

No definite arrangement was made at this meeting and it was just an exploration of the possibility and advantages of the unionization of the coin machine men of Oregon. These discussions continued in a half-hearted way during 1954 at meetings of our trade association, the Coin Machine Men of Oregon.

Some time during the month of January 1955, I was approached by one Jim Elkins, who for a long time had been a purchaser of coin-operated machines I sold. Mr. Elkins stated to me that he had a man from California with union connections that he wanted me to meet. I agreed to meet him to discuss a business proposition suggested by Elkins.

Shortly thereafter, Mr. Jim Elkins brought Joe McLaughlin to my office and said he was a union organizer. McLaughlin represented to Herman Walters, a long-time employee of mine, Elkins and myself that he, McLaughlin represented and had connections with the teamsters union that would enable us to run a pinball and jukebox rental business in Portland and that we would have an advantage over other operators and in particular, Stan Terry, because the operation would be unionized, whereas the other operators would not.

Shortly thereafter, Mr. Elkins called me and made an appointment for Walters, Elkins, McLaughlin and myself to meet at the Portland Towers, a Portland apartment house. A Mr. Tom Maloney was present at this meeting, but he took no part in this discussion. There were either one or two meetings at the Portland Towers, I am not positive of the second meeting. The business proposition was discussed further. Mr. Elkins and Mr. McLaughlin both represented to Walters and myself that there would be considerable advantage to our being in the union and that we should join. There was some statement made by either Elkins or McLaughlin, and in any event, acquiesced to by both, that they would keep Stan Terry out. Stan Terry at this time had the largest pinball route in Portland. Keeping him out, would help my Western Distributor customers who were his competition and generally small operators, as well as permit our proposed partnership to get his locations. Among the advantages offered to me by McLaughlin was that he, McLaughlin, could get Bally equipment which was then under franchise to one Lou Dunis, the distributor supplying Stan Terry, and which equipment was then in demand at tavern and other locations.

Elkins or McLaughlin suggested to me that I verify McLaughlin's representations that talking to him was the same as talking to Sweeney or Crosby, by talking to Clyde Crosby, a Portland teamsters official. One morning in the last week in January I telephoned Crosby for an appointment to see him. I talked to Crosby and got an appointment to meet with him that morning. I met Mr. Crosby at his office in the teamsters building in Portland. I took with me a signed health and welfare agreement which I believe Lloyd Hildreth, a union representative, left at my company premises some time shortly before. I do not have a detailed recollection of this meeting with Crosby. I remember some discussion of the fact that I had to go to the doctor that morning; and that Crosby said that the health and welfare agreement was in Hildreth's jurisdiction and I was to take it downstairs to Hildreth's office. Hildreth was not in his office and I left the paper. I returned to Western Distributors and remember mentioning to Herman Walters that I wondered why I was sent over to see Crosby because nothing was said to clear up McLaughlin's authority.

Thereafter a contract was signed whereby Fred Elkins (the brother and representative of Jim Elkins), McLaughlin, Walters and myself entered into a partnership known as Acme Amusement Co. for an operation in the Portland area.

The first contract, which was drawn by Mr. Elkins' attorney, was not satisfactory to Mr. Walters and myself, because it gave Acme distributor's rights in competition with those enjoyed by my company, Western Distributors. The contract was signed in the latter part of January by Fred Elkins, Joe McLaughlin, myself, and Herman Walters. Each partner contributed \$1,250. The money was put on the books of Western Distributors and later on a separate set of books which was set up for Acme Amusement Co. Mr. Walters, a partner, solicited locations, a total of five being obtained. I have been informed that Walters and Elkins made up a list for the solicitation of approximately 12 locations. The Acme Amusement Co. was dissolved approximately 60 days later. After the first few days it was impossible for Walters or me to contact Elkins or McLaughlin and it wasn't until shortly before dissolution that we were able to get hold of them, at which time Jim Elkins phoned me and asked for his and McLaughlin's money back. Jim Elkins had put up the money for his brother, Fred. I gave a check to Jim Elkins for \$2,500 to pay McLaughlin's and his share as well and the partnership was dissolved.

With reference to the incident involving picketing at the Mount Hood Cafe, I had no participation in the affair. I knew that Mr. Walters had solicited the Mount Hood Cafe, but when I heard that a picket had been put on the Mount Hood Cafe I was surprised and unhappy, although I realize that unions sometimes use picketing to enforce their policies. I did not, of my own knowledge, know of the picketing although I have been informed that the newspapers carried stories of the picketing. This was in late January or early February 1955.

I have been a member of the board of directors of the Coin Machine Men of Oregon since November 27, 1950. Although I am no longer a member of the board of directors, I still maintain my membership in the association. For some time, as above stated, the Coin Machine Men of Oregon had been in contact with the teamsters' union with reference to the mutual advantages that would accrue to the organization by the operators becoming unionized.

In the early spring of 1955, subsequent to the picketing of the Mount Hood Cafe above mentioned, the Coin Machine Men of Oregon, Inc., representing its members, signed an agreement unionizing the coin machine industry of Oregon. At about the same time this master union agreement was entered into, all the association members, at an association meeting, signed a fair-trade agreement, to limit competition among the members. No copies were given to me, although I became a member of the "grievance board" set up by the organization.

I make this statement voluntarily and of my own free will, without any promise of favor or intimidation.

VERAL T. WRIGHT.

Sworn to before me this the 28th day of February, 1957.

CHAS. E. ALDEN, *Notary Public.*

My commission expires August 14, 1957.

Witness:

THOMAS H. RYAN,
Attorney for Mr. Wright.

TESTIMONY OF JAMES B. ELKINS—Resumed

Mr. KENNEDY. When you were talking in the room with Mr. Joe McLaughlin and with Mr. Budge Wright, did Mr. McLaughlin tell Mr. Wright to go down to the teamster union and get in the teamsters?

Mr. ELKINS. He told him to go down and talk to Mr. Crosby, and that Mr. Crosby—

Mr. KENNEDY. He told him to go down and see Mr. Crosby?

Mr. ELKINS. And Mr. Crosby would verify what he said.

Mr. KENNEDY. Did Mr. Wright then go down to see Mr. Crosby?

Mr. ELKINS. He said he did.

Mr. KENNEDY. This was to verify when Joe McLaughlin said he spoke for the union, and the union would perform these services for him in Acme Amusement Co. Joe McLaughlin said, "Go down and see Clyde Crosby and he will verify this for you"; is that correct?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did Wright report back to you that Clyde Crosby verified what Joe McLaughlin said?

Mr. ELKINS. That is correct.

Mr. KENNEDY. It was on that basis that you went ahead with the Acme Amusement Co.?

Mr. ELKINS. Yes.

Mr. KENNEDY. During this period of time, were the other big distributors having difficulty getting into the union?

Mr. ELKINS. They were not getting in.

Mr. KENNEDY. They were not getting in?

Mr. ELKINS. That is right.

Mr. KENNEDY. Was the biggest distributor at that time Mr. Stanley Terry?

Mr. ELKINS. Yes; I think he was the largest.

Mr. KENNEDY. And the second biggest was Mr. Lou Dunis, or one of the biggest?

Mr. ELKINS. I believe that is right.

Mr. KENNEDY. And they were the ones having the most difficulty?

Mr. ELKINS. That is right.

Mr. KENNEDY. Were the teamsters very strong about keeping them out of the union, above everyone else?

Mr. ELKINS. I believe Mr. Maloney said he would crawl to Seattle on his knees if Stan Terry or Lou Dunis got in the union. I believe that is the exact remark he told my brother and I.

Mr. KENNEDY. Did they tell you John Sweeney and Frank Brewster felt very strongly about keeping Terry out of the union?

Mr. ELKINS. That is correct.

Mr. KENNEDY. So they were not going to get into the union under any circumstances?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And that is why at the beginning, at least, you were putting pickets on some of Stan Terry's places, is that right?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And that was in order to take over some of those pin-ball machine locations?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did Mr. Stanley Terry ever get into the union?

Mr. ELKINS. He did.

Mr. KENNEDY. Would you tell the committee what was related to you about his getting into the union, the difficulties he encountered?

Mr. ELKINS. I was objecting to taking his locations. They wanted me to turn the locations I had formerly been operating over to him. I said, "He will eventually get into the union all right," but in the meantime I am talking to Mr. Terry and Mr. Terry said, "I am going to have to pay a fine, or pay a little penalty, but I will get in."

Mr. KENNEDY. What did he mean by the fact that he was going to have to pay a little penalty? What did you understand he meant by that?

Mr. ELKINS. Well, I understood that he was going to buy his way in. He said, "I have gone over and told Mr. Crosby that I have been a bad boy, and I am willing to pay for it."

Mr. KENNEDY. Just going back, what did the teamsters object to in Mr. Terry? What did they dislike about Mr. Terry?

Mr. ELKINS. The only objection they could find was that he had supported John McCourt.

Mr. KENNEDY. In the election?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Go ahead.

Mr. ELKINS. Of course, I think that was just——

Mr. KENNEDY. An excuse?

Mr. ELKINS. Yes. I think John McCourt is an honest politician, or whatever you want to call him.

Then he made a few trips to Seattle, according to what he told me, and then he met John Sweeney for breakfast in San Francisco.

Mr. KENNEDY. Did he tell you he went down to San Francisco?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Who was he going to see down there?

Mr. ELKINS. John Sweeney.

He made several attempts to talk his way in with John. John told him it was like a poker hand, the man with the best hand won, and he had a pat hand and he wasn't going to let him in. I got Mr. Tom Maloney's word for that. I wouldn't take that, but I did take Stan Terry's, and he told me practically the same thing.

Mr. KENNEDY. He told you that he wasn't being successful in trying to get in?

Mr. ELKINS. That is right, and that they were a little hot at me over one particular location, the labor temple.

Mr. KENNEDY. You mean you had these conversations after he talked to John Sweeney?

Mr. ELKINS. That is correct.

Mr. KENNEDY. What finally happened as far as Stanley Terry?

Mr. ELKINS. Well, he connived around and finally got in to Mr. Brewster and, I guess, gave him some money, and his troubles were over.

Mr. KENNEDY. Did he ever relate to you how he had done it, how he had connived around?

Mr. ELKINS. Well, yes. He said he maneuvered through various people to get acquainted, to get an introduction, to square it away with Frank Brewster.

Mr. KENNEDY. Who did he say he had done it through?

Mr. ELKINS. Well, ultimately through Hy Goldbaum, I believe.

Mr. KENNEDY. Mr. Hy Goldbaum?

Mr. ELKINS. I believe that is right.

Mr. KENNEDY. What did you know or understand about Hy Goldbaum?

Mr. ELKINS. Oh, Lord.

Mr. KENNEDY. Well, let me ask you——

Mr. ELKINS. All right. I don't like to mix other people up in this.

Mr. KENNEDY. You understood Mr. Goldbaum and Mr. Brewster had been friends?

Mr. ELKINS. That is correct.

Mr. KENNEDY. And you understood that it was possible that Mr. Brewster might do a favor for Mr. Goldbaum?

Mr. ELKINS. That is correct.

Mr. KENNEDY. That was related to you?

Mr. ELKINS. That is right.

Mr. KENNEDY. Were you told that Mr. Terry made the contact with Mr. Goldbaum?

Mr. ELKINS. That is right.

Mr. KENNEDY. And he met with Mr. Goldbaum?

Mr. ELKINS. And Mr. Goldbaum had arranged an interview with Mr. Brewster for him.

Mr. KENNEDY. And Mr. Terry then went up to Seattle and saw Frank Brewster?

Mr. ELKINS. That is correct.

Mr. KENNEDY. Did Mr. Terry relate to you afterward about getting in the union?

Mr. ELKINS. Yes; he did.

Mr. KENNEDY. What did he tell you he had to do to get into the union?

Mr. ELKINS. He had to pay a chunk of money.

Mr. KENNEDY. Did he mention the amount of money?

Mr. ELKINS. \$10,000 or more.

Mr. KENNEDY. \$10,000?

Mr. ELKINS. That is correct.

Mr. KENNEDY. To whom did he have to pay the money?

Mr. ELKINS. Frank Brewster.

Mr. KENNEDY. And he was then going to be allowed into the union?

Mr. ELKINS. He was allowed in it.

Mr. KENNEDY. He was allowed in the union at that time?

Mr. ELKINS. That is right.

Mr. KENNEDY. How did Tom Maloney and Joe McLaughlin, who had been talking about keeping Stan Terry out of the union, react? Who told them about that?

Mr. ELKINS. I told them about it.

Mr. KENNEDY. You told them about it?

Mr. ELKINS. Well, I told my brother, and told him——

Mr. KENNEDY. Tell me this: Had the local union known that he was getting in?

Mr. ELKINS. No, they didn't know it.

Mr. KENNEDY. How long after Stanley Terry made the trip to Seattle did you see him and have this conversation?

Mr. ELKINS. A very few days. He told me not to say anything about it, and I probably waited 30 minutes to tell my brother, and he couldn't keep quiet about it. He called Tom Maloney and told him to start crawling to Seattle, that Stan Terry was in the union.

Then he immediately called me. Joe didn't have much to say.

He, I think, went on a drunk that day, or something. Tom was pretty upset. He said, "How in the so and so can you keep a man with that much money out?"

Mr. KENNEDY. What did he say?

Mr. ELKINS. He said, "How in the so and so can you keep a guy out of the union when he has that much money?"

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. KENNEDY. Was this after the conversation at Seattle?

Mr. ELKINS. Yes.

Mr. KENNEDY. What did he say to you after that?

Mr. ELKINS. He said he just stacked it too high, and they went round and round.

Mr. KENNEDY. Did he say anything about what Sweeney would have done if the decision would have been up to him?

Mr. ELKINS. He just said he wouldn't have gotten in through John Sweeney; John would have stopped him.

Mr. KENNEDY. Did he mention anything about the fact that Brewster let him in?

Mr. ELKINS. Yes.

Mr. KENNEDY. Did he say anything about Frank Brewster and the money?

Mr. ELKINS. Well, I just said what he said.

Can I correct something? I must have worded it wrong yesterday. Joe McLaughlin has not talked to me about houses of prostitution at no time, about running any houses of prostitution.

Mr. KENNEDY. He did not?

Mr. ELKINS. He did not, no.

Mr. KENNEDY. The conversations about the houses of prostitution were—

Mr. ELKINS. Were between Tom and I, that is correct, and Mr. Langley on the one occasion.

Mr. KENNEDY. But other than that, Joe McLaughlin never took any part in that?

Mr. ELKINS. No. He led me to believe, and I believe it, that he didn't approve of them, and he had a couple of boys in college. I don't want to leave the wrong impression about him.

Mr. KENNEDY. I think that you told me that before.

Mr. ELKINS. That is correct.

Mr. KENNEDY. I should have corrected the record.

This conversation was related to you in what, sometime during March of 1955?

Mr. ELKINS. That is the best of my recollection.

Mr. KENNEDY. So Mr. Terry got in the union, is that right?

Mr. ELKINS. That is right.

Mr. KENNEDY. Did Mr. Dunis then get into the union?

Mr. ELKINS. No, he did not.

Mr. KENNEDY. When was he allowed into the union?

Mr. ELKINS. It was some little time later, probably several months. I never paid any attention to when he did get in. I met him down at First and Main about a month later and he said dammed if he was going to pay what Stan did to get in.

Mr. KENNEDY. Did you ever discuss with him what he had to do to get into the union?

Mr. ELKINS. No. That is the only remark he made, that he would stay out before he would pay, that his men were in in Seattle, but he was going to have to pay a big figure to get his men in in Portland and he wouldn't do it.

Mr. KENNEDY. He was not going to pay it?

Mr. ELKINS. That is correct.

Mr. KENNEDY. He ultimately did get in, though?

Mr. ELKINS. I don't know whether he paid or not, but he got in.

Mr. KENNEDY. Could we go to another witness, Mr. Chairman?

The CHAIRMAN. Are there any questions of the witness at the present?

Senator KENNEDY. As I understood it, Mr. Brewster said it would take \$10,000 to get into the union and then this man got into the union?

Mr. ELKINS. No. Mr. Terry told me that he paid that to get in, sir.

Senator KENNEDY. He said he paid it?

Mr. ELKINS. That he paid the \$10,000 to Brewster to get in.

Senator MUNDT. Mr. Elkins, what did the admission of Mr. Terry into the union do to the plans of the Acme Co. to monopolize the pinball market?

Mr. ELKINS. Well, it kind of blew them up, in a way. We sold the Acme, 50 percent of the Acme, back to Mr. Wright and Mr. Walter. In other words, they gave us the money that we had put in there. I believe it was \$2,500. I believe Mr. Wright gave me the check and I gave McLaughlin his and my brother his out of it.

Senator MUNDT. In other words, that broke up the plan to get a monopoly of the pinball business?

Mr. ELKINS. I felt that it did.

Senator MUNDT. Did you hear the testimony of the previous witness, Mr. Elkins?

Mr. ELKINS. Yes, sir, I did.

Senator MUNDT. Can you clear up for me this business of Mr. Terry apparently being in the union a little while in 1954 and then being out for several months and then coming back? Can you shed any light on that?

Mr. ELKINS. When they started fighting Mr. Terry, it seemed like some years previous, when they were looking through their books, they found out that he personally held a union card, so they immediately had him take a withdrawal card. That was what was told me, sir.

Senator MUNDT. That was part of the plan by which Acme was going to move into the business, but they had to get rid of Terry's union membership, is that correct?

Mr. ELKINS. That is correct, yes.

Senator MUNDT. And he held that previous to the plans developed about Acme?

Mr. ELKINS. Yes. I don't know how long Mr. Terry had held this union card, but when they started fighting him about the union, they got to looking around and found out he already had a card.

Senator MUNDT. It is your assumption, then, or you presume, and perhaps you know, that, when they readmitted him in 1955, that was as a consequence of something that Mr. Brewster must have said to Mr. Crosby?

Mr. ELKINS. That is correct.

The CHAIRMAN. You may stand aside, for the present.

(Members present at this point: The chairman, Senators Kennedy, McNamara, and Mundt.)

The CHAIRMAN. Mr. Stan Terry, please come forward.

Senator KENNEDY. The international's office reports there are 892 locals, of which 113 are in trusteeship, representing 12.6 percent, and 24 joint councils, of which 2 are in trusteeship, representing 8.3 of the total.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TERRY. Yes; I do.

May I please request of the chairman, please, that I think it would be easier on me and on these gentlemen if they didn't take any pictures during my testimony?

The CHAIRMAN. Yes, sir. That request will be granted.

Gentlemen, take no pictures while the witness is testifying.

Do you wish that to apply to the television?

Mr. TERRY. I will leave that to the discretion of the Chair. I would just as soon.

The CHAIRMAN. All right, gentlemen. Desist from taking any further pictures.

Mr. TERRY. To answer the press, I just prefer that they wouldn't take pictures, because of the expressions on the face and back and forth—after all, I think my testimony is rather serious.

The CHAIRMAN. All right. The photographers will desist.

Mr. TERRY. Besides that, I think you have the pictures you want.

TESTIMONY OF STANLEY G. TERRY

The CHAIRMAN. Mr. Terry, will you state your name, your place of residence, business or occupation?

Mr. TERRY. My name is Stanley Terry, 1451 Northeast Alberta, Portland, Oreg.

The CHAIRMAN. State your business or occupation.

Mr. TERRY. I am in the amusement-game business and have been so for more than 20 years.

The CHAIRMAN. In Portland?

Mr. TERRY. Yes, sir.

The CHAIRMAN. You have conferred with members of the staff, have you?

Mr. TERRY. Yes, sir.

The CHAIRMAN. And know generally the line of questions that may be asked you?

Mr. TERRY. I have been here at these hearings for 3 days, and I have been listening to the testimony.

The CHAIRMAN. You can anticipate pretty well the questions that we will ask?

Mr. TERRY. Yes, sir.

The CHAIRMAN. You do not have counsel. Do you waive counsel?

Mr. TERRY. Yes, sir; I do.

The CHAIRMAN. Mr. Kennedy?

Mr. KENNEDY. You have counsel in the room; do you?

Mr. TERRY. Yes; I have my counsel from Portland, Oreg., who is observing these hearings so that we can gather what information we can to take back to Portland with us.

Mr. KENNEDY. Mr. Terry, did you always come from Portland, Oreg.? Where did you come from originally?

Mr. TERRY. I was born in Dayton, Nev. I went to school in Sacramento. While I was going to junior college there, I was transferred up to Portland, Oreg., with the Curtis Publishing Co.

Mr. KENNEDY. You have lived in Portland how long?

Mr. TERRY. I have lived in Portland since about 1932, the best I can recall, or 1931.

Mr. KENNEDY. What businesses have you been in in Portland?

Mr. TERRY. The business I have been in in Portland was the Curtis Publishing Co., new-reader salesman, or supervisor. The Curtis Publishing Co. at that time guaranteed a certain amount of publication. It was my job to sell these magazines the last 2 days of sale of the week.

Then I went to work for a service station when the NRA came through, and they couldn't afford to pay the boys 15 cents an hour, the Curtis Publishing Co., but they had to raise it to 35, as I recall it. I went to the service station and I stayed at the service station until I got to be what was called budget manager. At that time, about 1935 or 1936, I bought some Hershey vending machines and some phonographs and I started in the coin-machine business.

Mr. KENNEDY. When did you start in the coin-machine business?

Mr. TERRY. While I was working for Cumming's Tire Co.

Mr. KENNEDY. About what time was that?

Mr. TERRY. About 1935, as near as I can remember.

Mr. KENNEDY. What kind of coin machines did you start with?

Mr. TERRY. Five-cent Hershey-bar machines, phonographs, and some pinballs. I think, a little later on.

Mr. KENNEDY. Some pinballs?

Mr. TERRY. Yes.

Mr. KENNEDY. When did you start the pinballs?

Mr. TERRY. I started the pinballs as soon as I could.

Mr. KENNEDY. About what time was that? When was that, about?

Mr. TERRY. Well, as I recall, it was about 1935 or 1936; it could be.

Mr. KENNEDY. Did you have slot machines, too?

Mr. TERRY. No; not at that time.

Mr. KENNEDY. When did you start slot machines?

Mr. TERRY. Slot machines, I didn't get in the slot machine business. I don't think, much, until about 1939 or 1940, at the Arrow Club of Oregon. I took care of the machines there. I took care of the machines at the Riverside Golf Club and Oswego Country Club for a while.

Mr. KENNEDY. You just had slot machines in Portland?

Mr. TERRY. They just had slot machines at those places, yes. Mr. Elkins had all the other machines.

Mr. KENNEDY. Did you just have slot machines in Portland?

Mr. TERRY. Did I just operate? That is the only place I operated any kind of machines, was in Portland.

Mr. KENNEDY. You never operated any machines in Vancouver?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never operated in the State of Washington?

Mr. TERRY. No, sir.

Mr. KENNEDY. Where did you get your machines?

Mr. TERRY. At the very beginning, the machines came from distributors in the city. If the prices were too high, you tried to buy the machines in San Francisco, you tried to buy them in Seattle, you tried to buy them in Chicago. There are different trading machines that you buy them out of. If you think you can get them cheaper somewhere else, you are free to get them somewhere else.

Mr. KENNEDY. How many slot machines did you have altogether?

Mr. TERRY. Slot machines? Maybe 20.

Mr. KENNEDY. They were all around the city of Portland?

Mr. TERRY. I just named the places the slot machines were in.

May I take a minute to edify the committee on the difference between a slot machine and a pinball? It will take about two seconds.

The CHAIRMAN. Yes. We may need that.

Mr. TERRY. Frankly, I think the Senate and the House will be considering soon some legislation on taxes as far as pinball games as distinguished from slot machines. I would like to make this distinction here for the benefit of the committee.

A pinball game was born in the years of depression. It was a simple machine, a board, more or less, with some pins and holes on it, and the holes were numbered, and a ball, and a plunger that shot it. At the beginning, it was a very simple machine, such as that.

The reason it came into being was because so many people were unemployed, I suppose, or hanging around at different grocery stores, cigar stores, whatever they happened to be, and they needed something to pass the time with.

These machines in the beginning, some were played for a nickel, some were played for pennies, some were played for nothing. That

particular type of a machine grew to be what we know as pinball games of various types now.

It distinguishes itself from a slot machine in this sense, that a slot machine, from when it was conceived, has never basically been changed. In other words, a slot machine is just about the same machine as it was 20 years ago. It was a gambling device, pure and simple.

But a pinball machine, as such, is an amusement device. It had to be changed often, new scores, new ideas for winning, it had to be changed from 1 ball to 5 balls to 10 balls. It had to have various means of keeping the players interested.

That is why you had a pinball that started out years ago as a simple thing, and today it is a very complicated thing. You can take pinball games of various kinds, run up high scores, odds, one ball, like you would bet on a horserace, and there are various ways of playing pinball games. A pinball game as I know it is a particular type of machine of various sorts and in that amusement category other machines that can be used for the same purpose that some people may use a pinball game for. That is to win free games and cash them in.

There has been quite a difference of opinion between fellows like myself in this business and the Internal Revenue Service from the standpoint—I hope Jack Benny doesn't lose his show on account of this.

The CHAIRMAN. All right. Let us get down to the facts.

Mr. TERRY. I don't know what I am saying that is so funny. But the Internal Revenue Service has held that a pinball machine or an amusement device where you cash in free games has been subject to a \$250 tax, the same as slot machines. The Ninth Circuit Court of Appeals, recently, with three men sitting en banc, ruled that that didn't change the classification of a pinball game into the classification of a slot machine. That case now is on appeal to the United States Supreme Court. I suppose one day a decision will be coming down, and maybe Congress will have to do something about it.

That is the reason why I mentioned it to you, sir.

Mr. KENNEDY. You are finished?

Mr. TERRY. Yes, I am.

Mr. KENNEDY. So you have been interested in pinballs since what year?

Mr. TERRY. I have been interested in pinballs, roughly, since 1935, we will say, or 1937. Take any year you would like to choose. I just can't recall.

Mr. KENNEDY. And they are an amusement device, is that right?

Mr. TERRY. Yes, sir. I will say this, that in all the years I have been in the coin-machine business, which includes pinball games and operated slot machines at different clubs, that I have done everything in my power to try to lend dignity and bring the coin machine business up to a standard where it would be accepted as any other business in the community.

Mr. KENNEDY. But they are essentially an amusement device?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. How many pinball machines did you run in Portland, Oreg., in 1954?

Mr. TERRY. In 1954—

Mr. KENNEDY. In 1953 and 1954.

Mr. TERRY. 1953 and 1954, I will give you a rough guess, and you can get the exact amount by writing to the State tax commission because each game I operated I had to buy a license for, but I would say it would be between 200 and 300 games.

Mr. KENNEDY. And they were essentially for amusement?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. What was your income from those games, from these amusement devices?

Mr. TERRY. May I say this: I consider my income on these machines more or less of a private matter. To just say the amount here so that it goes from border to border and coast to coast—I will be glad to furnish this committee with complete tax returns on the money I have made. When you ask me the money I have made on pinball machines, the income would be derived from other——

Mr. KENNEDY. Let me ask you this question. If they are amusement devices, did you make more than \$5,000 from them?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Did you make more than \$15,000?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. More than \$30,000?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. More than \$50,000?

Mr. TERRY. I would say—I am going to have to say, I guess, stop, sometime. But I would say I estimate my income at \$50,000 or more, roughly.

Mr. KENNEDY. Would you say that it might get up, with these 200 devices of amusement, as high as \$100,000 income from these 200?

Mr. TERRY. No, sir.

Mr. KENNEDY. You do not think it would get that high?

Mr. TERRY. I don't think so, sir.

Mr. KENNEDY. But it is possible? It is possible that you would get an income of approximately \$100,000?

Mr. TERRY. Well, as a rough estimate, as far as I am concerned, if you want to say yes, I could have made \$100,000, yes, but I wouldn't think so. I will be glad to furnish you with the information exactly.

Mr. KENNEDY. But you think it is very possible that you could make \$100,000 from those pinball machines?

Mr. TERRY. If I did, it was a good year.

Mr. KENNEDY. And you were also running these slot machines. When did you stop running slot machines?

Mr. TERRY. I stopped running slot machines when the private clubs took them out.

Mr. KENNEDY. When was that?

Mr. TERRY. I think that was about 1942 or so. I would just be guessing on that.

Mr. KENNEDY. Were you also trying to raise the standards of the slot machines——

Mr. TERRY. Yes, sir.

Mr. KENNEDY. So that it would be a nice profession?

Were you working on that actively?

Mr. TERRY. I would say this, from this standpoint, that in the Arrow Club of Oregon, and the Riverside Golf Club, which consisted of a membership of maybe three or four hundred members, there I was counting their money, and there I was taking care of their machines,

and I will say this, if there was anything in my actions or anything that I might be doing that would cause them to wonder about my character or the business that I happened to be in, which was the slot machine business, I don't think I would have been there taking care of the machines.

Mr. KENNEDY. Did you ever have any machines after the Johnson Act was passed?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Some slot machines?

Mr. TERRY. When the Johnson Act was passed, it prohibited the interstate shipment of slot machines, or any parts thereof and, therefore, the machines that we had on hand we kept.

Mr. KENNEDY. You never brought any machines in from outside?

Mr. TERRY. No, sir.

Mr. KENNEDY. You are sure of that?

Mr. TERRY. I am positive of it.

(At this point, Senator Kennedy withdrew from the hearing room.)

Mr. KENNEDY. That was what, about 5 or 6 years ago?

Mr. TERRY. The Johnson Act, I think, came in about 1950 or 1951. You could check that to be exact on it.

Mr. KENNEDY. Have you used slot machines in Oregon since that act was passed?

Mr. TERRY. Well, using slot machines in Oregon, yes. At the Oswego Country Club, they own some machines there of their own.

Mr. KENNEDY. I am not asking about the Oswego Country Club. I am asking about yours.

Mr. TERRY. No; not mine.

Mr. KENNEDY. You have not had slot machines or used slot machines since 1951, that you have had in operation?

Mr. TERRY. No, sir. 1951? No, I wouldn't think so. If it was, it would only be a few. It would be very few, if any. I wouldn't want to say unequivocally no.

Mr. KENNEDY. Are they legal in the State of Oregon?

Mr. TERRY. A slot machine as such, no.

Mr. KENNEDY. Well, do you operate slot machines, then?

Mr. TERRY. I don't operate slot machines, no.

Mr. KENNEDY. Do you have any slot machines that are in use in the State of Oregon?

Mr. TERRY. No, I don't.

Mr. KENNEDY. I thought you said you might have a few.

Mr. TERRY. You asked me if I ran some in 1952, I thought.

Mr. KENNEDY. In 1952, were they legal in Oregon?

Mr. TERRY. 1952? No.

Mr. KENNEDY. Were you operating slot machines?

Mr. TERRY. Yes, sir, in the clubs.

Mr. KENNEDY. In 1952?

Mr. TERRY. No, not 1952.

Mr. KENNEDY. I thought you just said 1952.

Mr. TERRY. You have me a little confused. May I clarify the record for a minute?

Mr. KENNEDY. Yes.

Mr. TERRY. I think in 1942 the clubs took the machines out. They took them out on the act of the Oregon Liquor Control Commission,

saying that the clubs had to own their own machines. That is when I stopped doing business. I may have run a few slot machines from that time until 1952 when the Johnson Act came in.

I never run any machines or bought any machines after the Johnson Act came into effect.

Mr. KENNEDY. Did you run any slot machines after they were declared illegal in Oregon?

Mr. TERRY. Slot machines have been illegal ever since the Oregon constitution.

Mr. KENNEDY. Then have you been operating slot machines in Oregon since they were declared illegal?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Against the law?

Mr. TERRY. Against the law? A thing that makes a slot machine illegal in the State of Oregon, with the exception of one law, is that it violates the Oregon State lottery law. In other words, you put a coin in, you take a chance, and you get a prize. There is one other law that, I think, makes a slot machine illegal in Oregon.

Mr. KENNEDY. So you were violating both laws?

Mr. TERRY. In a sense of the word, I guess you would, except on the lottery law somebody had to play the machine.

Mr. KENNEDY. In raising the pinballs to an ethical profession, did you have a pinball operators association or distributors association in Portland?

Mr. TERRY. We had an association in Portland, yes.

Mr. KENNEDY. What was that called?

Mr. TERRY. It was called the Coin Machine Men of Oregon.

Mr. KENNEDY. Did you, from various taverns, require on occasion a payment from them of \$20 per month that they should make into a fund?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never did?

Mr. TERRY. No, sir.

Mr. KENNEDY. Never any kind of a payment like that?

Mr. TERRY. We have had in the past, as far as Oregon is concerned, or as far as Portland is concerned, a very long legal contest with the city of Portland, and there were times during that legal contest that we took up donations from our locations, yes.

Mr. KENNEDY. So you want to change your answer? You did take up these collections?

Mr. TERRY. Yes.

Mr. KENNEDY. What did you do with that money?

Mr. TERRY. That money went into, one time, the circulation of petitions, or it went into the treasury of the Coin Machine Men of Oregon.

Mr. KENNEDY. Were the various tavern owners told at that time that they should take this \$20 "off the top"? Did you ever hear that expression used?

Mr. TERRY. As far as the money, any money that was taken from any tavern owner was taken as a voluntary donation.

Mr. KENNEDY. As what?

Mr. TERRY. As voluntary, as a voluntary donation. The reason it was taken, as they use the expression of taking it "off the top," was

because if there was \$20 in the machine, \$10 of it would be mine and \$10 of it would be the tavern owner's or the location owner's. So if we were going to take a donation of \$5, we would take it off first, so that he would pay half and I would pay half.

Mr. KENNEDY. Did anybody ever declare that money that was taken off at the top in their income tax return?

Mr. TERRY. The money that was taken off the top was the money that went in—if there was, and I would say it was few occasions—whenever the money was taken in, it was put into the treasury of the Coin Machine or into the legal fund.

Mr. KENNEDY. I asked you about income-tax returns, whether anybody declared that money.

Mr. TERRY. I don't know about any other people, but I know that any of the money that I took off the top I declared the income tax on it, if I kept it.

Mr. KENNEDY. What if it went to the association that you set up? What if the money went to that association?

Mr. TERRY. I suppose the association in the books that they had, with the CPA, I suppose they paid their share of the income tax, although there was an argument of whether it was a nonprofit organization or not. But the money was all in the books and accountable.

Mr. KENNEDY. Let's say that you took \$20 from the tavern owner and \$10 is yours and \$10 was his and you had, say, 200 locations. That is \$2,000 a month that you would get, which was off the top. That \$2,000 that went to this fund, did you ever declare that in your income tax?

Mr. TERRY. I want to straighten one thing out. If I had 200 locations and I asked them for a donation, I would be lucky if I got it from 10. But, however, that money was handled, I handled that money if I handled it and I doubt if I handled it, the collectors would handle it or the other operators, about 65 other operators in the city, whatever way that money was handled, as far as I was concerned, it was handled as far as the rules and regulations of the Internal Revenue is concerned.

Mr. KENNEDY. What does that mean?

Mr. TERRY. That means we complied with everything that the Internal Revenue has.

Mr. KENNEDY. Let's say for one moment you got \$500. Did you declare that money in your income tax?

Mr. TERRY. If it went to my income.

Mr. KENNEDY. If it went into this fund?

Mr. TERRY. If it went into the association, yes, it was declared.

Mr. KENNEDY. In the association income tax?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Did you declare it in your income tax, too?

Mr. TERRY. I wouldn't pay it in mine, if I didn't get it.

Mr. KENNEDY. You didn't declare that, even though it was from your location?

Mr. TERRY. If I collected the money from my locations and it was collected to go to the coin machine association, I would turn the money over to the coin machine association and they would pay the income tax or make a record of it.

Mr. KENNEDY. Tell me this: Did the association ever pay a tax on it?

Mr. TERRY. The association, as far as their income tax was concerned, was in this position, that they made application when they were first formed to be a nonprofit organization. A few years later, I don't know what the year was, the Internal Revenue came around and said they wanted to audit the books and I guess they went through the books.

I don't know just how that stands as far as Internal Revenue is concerned and the money that the association spent.

Mr. KENNEDY. Tell me this: Instead of doing it in that manner, say that you received, or this Portland pinball association wanted, a donation from each distributor of \$1,000. Would you have had to declare the income tax on that \$1,000 when you originally received it?

Mr. TERRY. In that particular case, if they wanted \$1,000, in other words, if they said they had an attorney bill or had whatever they wanted the money for, and wanted \$1,000 and I made a donation of \$1,000, I wrote out a check for what it was.

The CHAIRMAN. The Chair will announce that they are trying to get a live quorum in the Senate. That means we will have to recess for a little while, anyway, to go over there, and by the time we do that and return it would probably be too late to resume.

Therefore, we will have to recess until 10 o'clock in the morning and Mr. Terry will return at that time.

(Whereupon, at 4:37 p. m., the committee recessed, to reconvene at 10 a. m., Friday, March 1, 1957.)

(Members present at the taking of the recess: The chairman, Senator McNamara, and Senator Mundt.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, MARCH 1, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the Caucus Room of the Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Pat McNamara, Democrat, Michigan; Senator Joseph R. McCarthy, Republican, Wisconsin; Senator Karl E. Mundt, Republican, South Dakota; and Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adlerman, assistant counsel; Alphonze F. Calabrese, investigator; and Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Present at the convening of the hearing were Senators McClellan and Goldwater.)

The CHAIRMAN. Mr. Terry, will you resume the stand, please?

I believe Mr. Terry requested that no pictures be made of him while he was testifying, no flash pictures, and I am sure the photographers remember that, as well as the Chair, and will be governed accordingly.

Before we proceed with further interrogation of the witness, the Chair has received and thinks it should be disclosed and possibly made a part of the record, a telegram from Arden X. Pangborn, editor of the Oregon Journal, Portland. This relates to a document that was referred to here yesterday that was unsigned, but it has on the back of it, "Oregon Journal Analysis of the Vice Situation in Portland."

Since that document was referred to and quoted from yesterday, and the witnesses interrogated about it, I think it is only fair to the editor of the Journal that this telegram be inserted in the record. It is addressed to me as chairman of the committee, dated February 28, 1957.

It has just come to the attention of the Oregon Journal, through a Washington dispatch, that a document described as "The Oregon Journal Analysis of the Vice Situation" is in the hands of your committee.

The Oregon Journal has not seen any document so described nor has it authorized the release of any such document. The Oregon Journal has prepared no written analysis of the vice situation for publication other than that which has heretofore appeared in its regularly published editions.

The dispatch links the name of an Oregon Journal reporter with the document. This will be investigated and such appropriate action taken as the circumstances may require.

(Signed) ARDEN X. PANGBORN,
Editor, Oregon Journal, Portland, Oreg.

Some of the press and others have inquired from time to time regarding the program of the committee for the rest of the week. The committee will continue throughout the day. At the conclusion of hearings today, it is now the intention of the Chair to adjourn over until Tuesday morning of next week.

All right, Mr. Counsel.

Mr. KENNEDY. We have here, Mr. Chairman, a chart entitled, "Principals in Portland Hearings," and that has been described in various newspapers throughout the country as the principals in the vice hearing.

Some of the individuals on that list have nothing to do with the hearing except to present a statement of fact. They are not involved, as far as our investigation, except their name comes into the hearing and they have some information that will be helpful. They would like to have this kind of a statement made at the hearing so that the record will be clear.

The CHAIRMAN. Are you identifying the witness?

Mr. KENNEDY. Mr. John Kelley, who is a Portland real estate dealer, was described as a principal in the vice hearing, and Mr. Sloniger, who is a Portland attorney, also had himself described as a principal in the vice hearing.

The CHAIRMAN. I hope the press will not gain the impression, or labor under any illusion, that everyone who is connected with this hearing is involved in some kind of vice activity. After all, we have some Senators and very fine reputable people on the staff who are only connected with it in an official way.

All right. Let us proceed.

TESTIMONY OF STANLEY G. TERRY—Resumed

Mr. TERRY. May I make one statement. I prefer to have no pictures taken, and I thought I made that clear yesterday.

The CHAIRMAN. That is the order of the Chair.

Mr. KENNEDY. Did you want to say something?

Mr. TERRY. Just that, sir.

Mr. KENNEDY. We were talking yesterday about your pinball machines.

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Now, do you have these pinball machines operating now?

Mr. TERRY. Pinball machines operating now in the city of Portland; no, sir. I have some pinball machines in operation around the city proper, because they are still legal in the State of Oregon.

Mr. KENNEDY. They are still legal there?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. And you have some of these pinball machines operating in Multnomah County; do you not?

Mr. TERRY. Yes; I do have.

Mr. KENNEDY. Do you receive any moneys from the proprietors of those taverns, or wherever you have the machines?

Mr. TERRY. Machines are placed in locations in different parts of the State of Oregon, and used to be in the city of Portland, of which we get a percentage of what the machine makes.

Mr. KENNEDY. You get a percentage of what the machine makes?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Are they all nickel machines, for amusement?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. They are all nickel machines?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. You do not have any dime chutes?

Mr. TERRY. No. Offhand I would not say I had any dime machines. If there are dime machines there may be 1 or 2 if any.

Mr. KENNEDY. Do you have any quarter chutes?

Mr. TERRY. No; I do not.

Mr. KENNEDY. Do you think that you might have some dime chutes?

Mr. TERRY. There may be 1 or 2 machines on dimes, although I doubt it very much.

Mr. KENNEDY. You do not know that?

Mr. TERRY. I wouldn't be able to say for sure now without checking my records or calling my office, if you would like to have me do it.

Mr. KENNEDY. They put money in those machines and then it is just for amusement, is that right?

Mr. TERRY. Yes; it is.

Mr. KENNEDY. Does anybody ever put money in the machines and get any money from the proprietor of the tavern?

Mr. TERRY. I would say this: If you let me analyze how a fellow plays a pinball machine, including shuffleboard or shufflebowler or anything else in the amusement field as far as being coin operated is concerned, it works on this theory.

A fellow, with the use of skill or the way he shoots the ball, or the way he shoots the puck or bowls the ball in a bowling alley, in most machines if he attains a certain score he wins a number of free games.

If he wins, we will say 10 free games, and the player had to go back to work at 1 o'clock he would turn to the location owner and say, "I have 10 free games in your machine and I would like to convert them into nickels so I can come back and play them later." Then they get money for cashing in free games.

Mr. KENNEDY. Oh. But that is how it operates.

Mr. TERRY. Yes; it does.

Mr. KENNEDY. Now, you were talking yesterday about this association that you had.

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Let us just go back to these pinball machines. Is the sheriff in charge of those pinballs? That is in his jurisdiction, is it not, in Multnomah County?

Mr. TERRY. Yes; it is in charge of the sheriff in that county, as far as the sheriff being in charge of everything that is in the county, yes, the same as automobiles are or any other thing that may be in the county. The sheriff is the police officer of the county.

Mr. KENNEDY. Do you have much to do with the sheriff's office?

Mr. TERRY. Do I have much to do with the sheriff and the sheriff's office?

Mr. KENNEDY. Yes.

Mr. TERRY. No, sir.

Mr. KENNEDY. Do you know many people in the sheriff's office?

Mr. TERRY. I know some people in the sheriff's office; yes, sir.

MR. KENNEDY. Do you have much to do with them in a business way?

MR. TERRY. No, sir.

MR. KENNEDY. You just know them socially?

MR. TERRY. Portland is a town of—

MR. KENNEDY. I am talking about Multnomah County.

MR. TERRY. The sheriff's office is in Portland and in that size of a town, living there for 20 years, you get to know a lot of people. I do know some people in the sheriff's office.

MR. KENNEDY. Have they ever come around to any of your locations in Multnomah County, anybody from the sheriff's office?

MR. TERRY. That I couldn't answer.

MR. KENNEDY. Do you know Merrill Kilman in the sheriff's office?

MR. TERRY. Merrill Kilman?

MR. KENNEDY. Yes.

MR. TERRY. Yes; I knew him, or let us put it this way, some years ago. Whether he is alive or dead I don't know.

MR. KENNEDY. How about Earl Stanley; do you know him?

MR. TERRY. Yes; I know Earl Stanley.

MR. KENNEDY. And Gordon Osborne.

MR. TERRY. Gordon Osborne, I don't know.

MR. KENNEDY. You do not know him?

MR. TERRY. No.

MR. KENNEDY. But you think there are half a dozen or so that you might know in the sheriff's office?

MR. TERRY. I would say that there may be even more than that, people in the sheriff's office who I might be able to know by name.

MR. KENNEDY. They have jurisdiction over these pinballs, is that right?

MR. TERRY. As I said before, they have jurisdiction over all activities or all things in the county, in the sense of the word that they are police officers.

MR. KENNEDY. If they found any gambling going on, it would be their responsibility, would it not?

MR. TERRY. If they had evidence of gambling going on, I assume that it would be their responsibility to stop it.

MR. KENNEDY. If they reached a decision that this was a gambling device it would be their responsibility to stop it, would it not?

MR. TERRY. If they reached a decision that the pinball machines were a gambling device?

MR. KENNEDY. If they saw gambling going on at this machine, and it was something other than amusement.

MR. TERRY. Well, you are asking me two questions. One question you ask me is if they decided that a pinball game was a gambling device. I want to say on behalf of that, that the Oregon Supreme Court has ruled that a pinball machine is not a gambling device.

MR. KENNEDY. What if they found there was gambling going on in connection with the machine?

MR. TERRY. If they saw gambling going on in connection with anything, just flipping a coin, I think that they would be dutybound to arrest them for gambling.

MR. KENNEDY. That is in the sheriff's jurisdiction?

MR. TERRY. Yes, it is.

Mr. KENNEDY. Now, did you know a sheriff by the name of Eric Caldwell?

Mr. TERRY. No, sir. Not that I can remember or know about.

Mr. KENNEDY. About 5 or 6 years ago.

Mr. TERRY. No, sir; I can't recall the name.

Mr. KENNEDY. You never heard of him?

Mr. TERRY. No, sir, not that I can remember.

Mr. KENNEDY. You never heard of the sheriff, Eric Caldwell?

Mr. TERRY. Not that I can remember, sir.

Mr. KENNEDY. About 1948 or 1949.

Mr. TERRY. I cannot remember that, sir.

Mr. KENNEDY. You never heard his name?

Mr. TERRY. I say this sir: I am here to do one thing and that is to tell the truth and the whole truth and if I can remember his name, I would tell you but just now I cannot remember his name.

Mr. KENNEDY. Now, on this association, you say that the contributions to the association that were made by the various pinball operators are all voluntary?

Mr. TERRY. Yes.

Mr. KENNEDY. Did you ever know or ever learn that any tavern was closed up when they would not make these contributions?

Mr. TERRY. No, sir, I don't know of anything like that.

Mr. KENNEDY. You never heard of that?

Mr. TERRY. I never heard of that.

Mr. KENNEDY. You never gave those instructions that a place would be closed up if they did not make the contribution?

Mr. TERRY. I never gave those instructions and furthermore, that I never thought about giving that kind of instructions.

Mr. KENNEDY. It was all voluntary, is that right?

Mr. TERRY. What are you speaking of now?

Mr. KENNEDY. This contribution off the top that these tavern owners had to make to this association.

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Who had charge of that money that went to this association?

Mr. TERRY. Yesterday you asked me about this question again and I have been trying to refresh my memory on it so I could give you as honest an answer as I could. As I say now, I am here under oath, to tell you the truth, the whole truth and if I can remember, there was maybe 2 or 3 times that such a thing was done and at that particular time for whatever it was done and whoever was in charge of dispensing the money, the money went there.

Now, as a particular instance, I will say that we circulated an initiative petition and we circulated a referendum and in those cases I think we asked the tavern owners to voluntarily give some money for the expenses necessary to circulating the petition, such as first writing the petition and presenting it to the council and getting it printed and circulating the names and passing them out and getting them in and counting them and a few things that go along with it.

Now, that is a particular case of where we have collected money from tavern owners and also on that particular occasion money went for that certain fund.

Then, if there were any other cases they were handled basically in that manner and I cannot at this time remember any other times when it was done, but it was done on a voluntary basis in that manner.

The CHAIRMAN. You testified yesterday about taking money off the top and gave us a pretty good explanation of what you meant by taking money off the top.

As I understood you, it was to make these donations wherever you had a machine, if you could persuade the owner of the place of business to do so. He had half of the profits of the machine and you had half, as I understand it.

You would take out of the machine, say, \$20 and that would go into the fund. Half of it would be your money and half of it being his. Did you record in your income tax that \$10 that was yours and report it?

Mr. TERRY. Yes, in this way: In other words, if I got the \$10, we will say—

The CHAIRMAN. Not "if" you got it, but it went in the machine. There is no question whether you got it but what did you do after you got it? If you took it off the top, did you report it as income?

Mr. TERRY. Sir, a machine, if we went into a location in this particular instance on the initiative petition, there was \$20 in the machine. Then, the location, and each place where we have machines we might say there is \$20 in the machine, and the merchant there would say, "Yes, there is \$20 in the machine, but it didn't work or I had to give him some money to go in with him and play it and so, therefore, I have an expense account of say \$15."

When we go in and take \$20 off the top, that would leave a \$10 profit there. Then, we would give him \$5 to add to his deal and give him a receipt and he donated \$5.

The CHAIRMAN. What did you do with your part of it? You did not have to give yourself a receipt? You got half of the money?

Mr. TERRY. I got half of the money.

The CHAIRMAN. When the money goes in the machine, half of it is yours, is that correct?

Mr. TERRY. No, sir.

The CHAIRMAN. When do you get your half?

Mr. TERRY. I get the half when the merchant gives me my half, and after he deducts what he thinks a fair share as far as the machine not working or whatever happens to go wrong with it.

The CHAIRMAN. As I understood you yesterday, you got half of it and the man who had the machine gets half. If that is not correct, what is correct?

Mr. TERRY. What is correct, sir, is this: If I go in with a machine, and I will go over this again—I admit it is confusing—I go into a machine and there is \$20 in the machine. The first thing the merchant does to me or to my collector is say that, "I have a \$10 expense against that machine."

The CHAIRMAN. What kind of expense would that be?

Mr. TERRY. The expense would be the machine did not work, or did not register the free games at a proper time, when the player played it.

The man was supposed to win 25 games and he would say to the proprietor, "The machine didn't register the 25 games," and the pro-

prietor had to give him the money for the 25 games so he could keep playing.

The proprietor would also say to me that, "The customer came in and he wanted to play a few games and he asked me if I would go half with him." In other words, they would play \$1 a piece on the machine.

The CHAIRMAN. Gambling, you mean?

Mr. TERRY. Sir?

The CHAIRMAN. Gambling a dollar on each game?

Mr. TERRY. No, sir.

The CHAIRMAN. All right, straighten it out.

Mr. TERRY. Let us say that the tavern owner, that is the owner of the location, has maybe one customer in his place. So the one customer there says, "I would like to play the pinball machine," and so he goes over and plays and maybe puts in 25 cents.

Then, he says to the proprietor, "It's not so busy in here. I would like to have you play with me. Let's each go 25 cents apiece and see how many free games we can win." So the proprietor would put in 25 cents and the player would put in another 25 cents.

Then, when I went around to collect the machine, he would want his 25 cents back.

The CHAIRMAN. You have no way of checking up on that, whether he is telling the truth or not; do you?

Mr. TERRY. No, sir.

The CHAIRMAN. Then, after he makes his deduction, what do you do with the money?

Mr. TERRY. After he makes the deduction, the money is brought into my office and made an accounting for, and put in the bank.

The CHAIRMAN. This is what I wanted straightened out and you know what I am driving at. It is just as simple as this. You take money out of the machine and give it to a fund; do you not?

Mr. TERRY. Yes, sir.

The CHAIRMAN. That is what you said yesterday.

Mr. TERRY. Yes, sir.

The CHAIRMAN. Do you account for your half of that money, and if so, how? Do you have any books that show where you recorded that half of the money that was taken out and paid over to this fund?

Mr. TERRY. In the cases where the money was taken out——

The CHAIRMAN. In any case, where you go in there and take it off the top, as you say, you go in there and you take \$10 or \$20 out to give to this fund. Half of it would be yours and half of it belongs to the proprietor of the place. Do you have any records where you account for that \$10 or your part of that money as income?

Mr. TERRY. I have said this before, I think, and I will say it again, that any moneys that are taken out of the machine are properly identified and taken care of.

The CHAIRMAN. Do you have a record that will show this top take-off money? Do you have a record and have you kept a record that will show it?

Mr. TERRY. Well, sir, we have a record of every time. As far as the funds being taken, there is a record of that, I am sure.

The CHAIRMAN. Where? Do you have a record of it?

Mr. TERRY. No, I don't have a record.

The CHAIRMAN. Do you keep a record of it in your books?

Mr. TERRY. Of the money that I take off the top?

The CHAIRMAN. Of money that is taken off of the top of those machines, and given to a fund.

Mr. TERRY. Mr. Chairman, I say this, that what I am trying to tell you is this: If we go into a place——

The CHAIRMAN. I do not need all of that going back over another place. You know you took the money out of the machine or whatever it is, money off the top. What I am asking you is this: Do you have any record, or did you keep any record, of your part of that money and do your records reflect that fact.

Mr. TERRY. Yes, sir.

The CHAIRMAN. You can answer "yes" or "no."

Mr. TERRY. Yes, sir.

The CHAIRMAN. Can you produce such records?

Mr. TERRY. I am not sure.

The CHAIRMAN. I think that they may be important.

Mr. TERRY. Well, sir, that is what I am trying to straighten out, if you will just indulge with me a moment.

The CHAIRMAN. I will indulge you.

Mr. TERRY. As I said, the money that the merchant has, there is \$20 in the machine and he said he had a \$10 expense account against it. That left \$10 for us to take off the top. Half of that money is mine and half of that money is his. So we took \$5 off the top and that \$5 I added to his \$10 and I in turn gave him a receipt that he paid to this fund \$10.

The CHAIRMAN. When he only paid \$5.

Mr. TERRY. He gave me \$5.

The CHAIRMAN. But you had \$5 of your own and then you gave him a receipt for \$10, receipt for your own money.

Mr. TERRY. I guess you would call it receipt for my own money. Now, here we have \$10 profit, sir, and we are going to take \$5 off the top, so I give half of that \$5 which is mine.

The CHAIRMAN. According to you, that is right.

Mr. TERRY. It should be mine after he has deducted his expenses. So I give him \$2.50 and add my \$2.50 and I give him a receipt for \$5 and he donates the \$5 to the fund.

The CHAIRMAN. Did he donate all of that \$5? Hadn't you donated \$2.50 of it, according to your own calculations.

Mr. TERRY. Actually, I have donated \$2.50.

The CHAIRMAN. But you gave him a receipt for the \$2.50 you donated.

Mr. TERRY. No, I gave him a receipt for \$5 that he donated and that merchant donated \$5 to the fund.

Mr. KENNEDY. Who keeps the fund or who keeps that money?

Mr. TERRY. As I said before, that has only been done on 1 or 2 occasions.

Mr. KENNEDY. But who keeps the money? You have said that before, but who keeps the money?

Mr. TERRY. Then, if it was for a fund for an initiative petition, then whatever committee is running that petition, they keep the funds and they get the money.

Mr. KENNEDY. What do you actually do with the money? Does it go in a bank?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. What bank were you putting it in?

Mr. TERRY. I don't know. I can't recall what bank they put it in, but they put it in a bank.

Mr. KENNEDY. Who put it in the bank?

Mr. TERRY. The committee that circulated the initiative petition or the referendum petition.

Mr. KENNEDY. Who was the head of the committee?

Mr. TERRY. On the referendum committee, I think the head of the referendum committee was Bob Ringo, a druggist.

Mr. KENNEDY. That is not what we asked. Who is the head of the committee, the person who kept this money?

Mr. TERRY. I just was trying to name you the committee.

Mr. KENNEDY. You said the referendum committee, and who was head of the committee that kept this money? Did you?

Mr. TERRY. No, sir.

Mr. KENNEDY. Was the money turned over to you?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never had possession of it?

Mr. TERRY. No, sir.

Mr. KENNEDY. Who did?

Mr. TERRY. I am trying to explain. In the referendum committee it was Robert Ringo, a druggist, was the chairman of the committee and I think Gus Rinella, who was a real-estate man was the secretary and I can't remember who was the treasurer. It could have been Lloyd Kilder.

Then, in the initiative petition, I think Mike Healy, who was a pinball operator was the chairman, and my secretary was secretary and there was a third person on that committee. I cannot remember the third person, but I can get the name for you. That committee would be responsible for all of the money.

The CHAIRMAN. Mr. Terry, when you gave a man a receipt for his contribution to it, you got the money from that man, did you not?

Mr. TERRY. You mean personally?

The CHAIRMAN. When you gave him a receipt for it, did you not see that you got the money?

Mr. TERRY. Yes.

The CHAIRMAN. Now, what did you do with the money that you gave receipts for and what did you do with that money?

Mr. TERRY. I turned it over to this committee and they put it in the bank.

The CHAIRMAN. What committee, who? Name the person you turned it over to. You cannot turn it over to a committee. You either wrote a check for it or you did something to get it there.

Mr. TERRY. Let me say I turn over to one of three people who made up the committee.

The CHAIRMAN. Can you not remember?

Mr. TERRY. At this time I cannot remember who I turned it over to.

The CHAIRMAN. Did you give it to them by check?

Mr. TERRY. No, I don't think that I gave it to them by check. There may be a check involved, but there would be no way to issue a check.

The CHAIRMAN. It would be very easy to do that. You go around to your machines and you collect \$100 that day for the fund and you get the money and you give a receipt and you could very well give a

check for the \$100 to the chairman of this club or the treasurer. Did you handle it that way?

Mr. TERRY. No, sir.

The CHAIRMAN. How did you handle it? You go in here and you get \$10 and you come out of there and you give them a receipt that you got \$10. What do you do with the \$10?

Mr. TERRY. I take the receipt and the \$10 and I give it to the committee.

The CHAIRMAN. Who?

Mr. TERRY. One of three members who were on the committee, I just named them.

The CHAIRMAN. All right.

Senator GOLDWATER. I would like to pursue this a little bit further because it presents quite an interesting problem. You, as I understand, give the merchant a receipt for \$5 when actually all he gets is \$2.50 out of that? Is that substantially what you said?

Mr. TERRY. On what receipt, sir?

Senator GOLDWATER. When you go in to collect and you take off the top.

Mr. TERRY. Yes.

Senator GOLDWATER. And you testified, I believe, that you give this merchant a receipt for \$5 when actually he is only giving \$2.50. I think that you testified to that.

Mr. TERRY. That is basically it, yes, I think.

Senator GOLDWATER. How does the merchant handle that on his income tax? In other words, how do you get a man to agree to pay income tax on income that he never got?

Mr. TERRY. Well, the same way as far as he is concerned. He donates \$5 or \$10 or \$15, and I assume that he pays income tax on it.

Senator GOLDWATER. You think that a man is willing to pay income tax on income that he did not get and is there some agreement that you have with him that he gets that back some way?

Mr. TERRY. No, sir. If you were in business, sir—

Senator GOLDWATER. I am. That is why this interests me, because as a businessman I would not want to pay income tax on income I did not get, unless I had some deal worked out on it.

Mr. TERRY. All right.

Senator GOLDWATER. That is what I want to find out, if there is any deal on it.

Mr. TERRY. I will try to answer that question to the best of my ability. If you were in the tavern business and a part of your tavern business was income from pinball machines, you knew that you only had one chance of keeping those pinball games and that was circulating a petition.

So then I, or any one of 55 other operators, came to you and said, "Senator, we are going to circulate a petition. We do not have enough money for four individuals to do it and we have to get in collectively and gather up some money to circulate a petition and it will cost X number of dollars."

So I say to you, "On your payouts today, you are charged \$10 over there." Well, take \$5 off the top and add it to the payouts, and you donate \$10 or \$5 or whatever the case may be to this fund. I assume that you understand that you have to pay income tax on it.

But I think under those conditions you would be willing to donate the \$10 and pay the income tax on it.

Senator GOLDWATER. Does this practice go on whether there is a petition going around or not?

Mr. TERRY. No, sir; very definitely not.

Senator GOLDWATER. The only time you have given this man a receipt for money that he did not get was during the period when you were circulating petitions?

Mr. TERRY. When we circulated petitions, yes.

The CHAIRMAN. I have just one other thing. I am not at all satisfied. You bear in mind, and I trust those who are present will bear in mind, that this committee is not only looking into labor racketeering, but if businessmen are in collusion to defraud and to cheat on their income and so forth, in connection with anything related to labor, we are going to find it out if we can.

I am interested in those books. Who has the books of that club or that association?

Mr. TERRY. Sir——

The CHAIRMAN. Where can we get them?

Mr. TERRY. Sir, I am here under oath to tell you the truth.

The CHAIRMAN. I have heard that several times and I expect you to tell the truth. Just go ahead and tell me where those books are.

Mr. TERRY. Sir, I don't know where the books are.

The CHAIRMAN. Who has them? Who ever had them?

Mr. TERRY. Sir, the people who are members of that committee have the books or were in possession of the books or should have been in possession of the books and I am sure if you want the books we will get the committee or the members of the committee and get the books.

The CHAIRMAN. Would you find out where those books are?

Mr. TERRY. I think so.

The CHAIRMAN. You do that at recess. You have your friends out there, and you know who was handling it and I want you to try to find out from this committee where those books are.

Mr. TERRY. Sir, I cannot say that during the recess I can try to find out where the books are.

The CHAIRMAN. You will be here long enough to get that.

Mr. TERRY. If you will let me go back to Portland, I can do a better job.

The CHAIRMAN. If you cannot get them before you go back, we will give you that assignment when you go back and you will have the job of finding those books.

Mr. KENNEDY. Let me ask you about those books. You kept books, did you not?

Mr. TERRY. I kept books?

Mr. KENNEDY. Did anybody keep books?

Mr. TERRY. The committee kept books.

Mr. KENNEDY. Tell me this: Have these books ever been changed, the records?

Mr. TERRY. No, sir.

Mr. KENNEDY. None of the minutes of your meetings of the coin operators have been changed?

Mr. TERRY. Not so far as I know.

Mr. KENNEDY. You never took out any of the records and rewrote the minutes of any of the meetings?

Mr. TERRY. Not I, sir.

Mr. KENNEDY. Do you know if anybody ever did?

Mr. TERRY. I assume that Al Brown one time on the minutes or meeting notices of one of our minutes retyped them to make them more factual.

Mr. KENNEDY. How long after the meetings was this done?

Mr. TERRY. Pardon me?

Mr. KENNEDY. Could you explain a little bit? You assume that Al Brown did this.

Mr. TERRY. Yes.

Mr. KENNEDY. Why do you assume that Al Brown did this?

Mr. TERRY. Mr. Chairman, I feel this way. This is very serious to me, the statement I just made that brings laughter from the audience. I am trying to do the best I can to explain the facts. That particular incident, if you want to know about it, I am glad to explain the whole thing to you, even though I am under indictment for that particular deal.

I will explain the thing to you now fully and it will take 3 or 4 minutes, but I am not trying to take up your time, or do anything else. If you want me to explain that particular thing, I will explain it.

The CHAIRMAN. Either explain it, or state your reasons why you will not.

Mr. TERRY. Then I will explain it.

The CHAIRMAN. All right.

Mr. TERRY. The grand jury, if I remember it, subpoenaed the books of the Coin Machine Men of Oregon. Now, the Coin Machine Men of Oregon is a nonprofit organization in the State of Oregon, I hope, and they have been set up since 1950 or so.

The meetings that we have are usually informal and no minutes are kept in the sense of the word of what minutes are. We had a paid secretary off and on, and this paid secretary would sit there during the meeting and scribble down a few notes of what had transpired in the meeting and then maybe sometime at a later date he would write down on a piece of paper what had transpired to the best of his memory.

The CHAIRMAN. Did they keep a book of minutes?

Mr. TERRY. Whether they kept a book of minutes or not, I don't know.

The CHAIRMAN. It was a piece of paper that you can throw away?

Mr. TERRY. No, he would scribble it down in a little piece of paper that he could throw away, but from that he would type a page and he kept that page.

Now, where he kept it, whether it was in a minute book, I don't know.

The CHAIRMAN. It was a permanent record?

Mr. TERRY. A record; yes, sir. So they subpoenaed our financial records and also our minute book, or whatever the record was that this paid secretary was keeping. It so happened that the day to deliver that to the grand jury, I was coming down Sixth Street and he was walking up Sixth Street and I hailed him from my car.

I said, "Where are you going?" He said, "I'm going to take the minutes up, the books and records up to the grand jury."

The CHAIRMAN. You hailed him or he hailed you?

Mr. TERRY. I think that I hailed him.

The CHAIRMAN. Who was "him"?

Mr. TERRY. The paid secretary.

The CHAIRMAN. What is his name?

Mr. TERRY. Alvin Brown.

The CHAIRMAN. All right.

Mr. TERRY. So I hailed him and I asked him where he was going and he said he was going to deliver these books and meeting notes up to the grand jury and I said, "Let me see what you have there."

He showed me this book and I started to read some of the pages in it, and I read several and I came to one page that said that Stan Terry said this and Stan Terry said that. I said, "Al, I must have been doing an awful lot of talking. Are you sure I said all of this?" He said, "No, I'm not sure."

And I said, "If you are not sure, make sure who said it. As far as I am concerned, Stan Terry is the only one talking there." And he said, "All right, I will change it and I will make it more factual."

The CHAIRMAN. Let us have order.

We will stand in recess for a minute.

(Brief recess.)

(Members present at the taking of the recess were Senators McClellan and Goldwater.)

(Members present after the taking of the recess: The chairman, Senators McNamara, Mundt, and Goldwater.)

The CHAIRMAN. The committee will come to order.

Mr. KENNEDY. You were telling us about getting the books changed. So you told Al Brown to change the books, did you?

Mr. TERRY. Sir, I didn't say I told Al Brown to change the books.

Mr. KENNEDY. You suggested to Al Brown to change the books?

Mr. TERRY. No, sir.

Mr. KENNEDY. What happened? You read the books and found Stan Terry said this and Stan Terry said that. What did you do then? What did you say to Al Brown?

Mr. TERRY. Well, sir, I thought I just said that Mr. Al Brown showed me these minute notes, and I read the minute notes, and it said there than Stan Terry said this and Stan Terry said that, and I asked him if he was sure.

He said, "No, I am not sure." I said, "Well, then, you better take my name out and make the thing more factual."

Mr. KENNEDY. So you suggested that he change it?

Mr. TERRY. I just said I suggested that he change it.

Mr. KENNEDY. So he changed it?

Mr. TERRY. That I don't know.

Mr. KENNEDY. You do not know whether he changed it or not?

Mr. TERRY. I can't say for sure. He told me he did.

Mr. KENNEDY. I am afraid that I described Eric in the wrong way, as a sheriff. He is not a sheriff. Do you know Eric Caldwell?

Mr. TERRY. No.

Mr. KENNEDY. You never heard that name?

Mr. TERRY. As far as I can remember now, I never heard that name.

Mr. KENNEDY. That would be within the last 6 months. Have you ever heard the name of Eric Caldwell?

Mr. TERRY. Not that I know of in the last 6 months.

Mr. KENNEDY. Have you heard that name in the last year?

Mr. TERRY. As I recall now I haven't heard that name in the last year.

Mr. KENNEDY. You never mentioned that name to anybody?

Mr. TERRY. Eric Caldwell?

Mr. KENNEDY. Yes. You never tried to find a location for Eric Caldwell to operate?

Mr. TERRY. Eric Caldwell? Sir, I have to say I just don't know the name. I can't remember any name like that.

Mr. KENNEDY. Did you know Sheriff Mike Elliott?

Mr. TERRY. Yes, I knew Sheriff Mike Elliott.

Mr. KENNEDY. How well did you know Mike Elliott?

Mr. TERRY. Not very well.

Mr. KENNEDY. Did you ever make any arrangements to make any payments to Mike Elliott?

Mr. TERRY. No, sir.

Mr. KENNEDY. You and Mr. Dunis did not get together and each contribute \$5,000 to Mike Elliott in 1948?

Mr. TERRY. No, sir.

Mr. KENNEDY. He later went to the penitentiary, did he not?

Mr. TERRY. Who went to the penitentiary?

Mr. KENNEDY. Elliott, Sheriff Mike Elliott.

Mr. TERRY. I thought he went to California.

Mr. KENNEDY. That is where he went to the penitentiary. Did you know that?

Mr. TERRY. No, sir, I didn't know he was in the penitentiary. I understand or read—

Mr. KENNEDY. Did he finish his term as sheriff?

Mr. TERRY. No, sir. He was recalled.

Mr. KENNEDY. For what reason?

Mr. TERRY. Actually, there were so many reasons about recalling him.

Mr. KENNEDY. Malfeasance in office?

Mr. TERRY. It could be. I remember the first day that Mike Elliott was elected sheriff, he had a press conference and during that press conference he said "The first thing I am going to do is run Stan Terry out of town."

Mr. KENNEDY. Did he run you out of town?

Mr. TERRY. No, he didn't.

Mr. KENNEDY. What stopped him?

Mr. TERRY. I don't know what stopped him.

Mr. KENNEDY. Do you run any punchboards now?

Mr. TERRY. Punchboards?

Mr. KENNEDY. Yes.

Mr. TERRY. No, sir.

Mr. KENNEDY. In the city of Portland?

Mr. TERRY. No, sir.

Mr. KENNEDY. Anything that is like a punchboard?

Mr. TERRY. Yes.

Mr. KENNEDY. Would you tell us about that?

Mr. TERRY. There is in the city of Portland the Portland ordinance, which you heard discussed here, which was passed at the same time that the pinball ordinance was passed, in 1951. In 1951 they passed an antipinball ordinance, and they passed an antipunchboard ordi-

nance. In that ordinance, they made the possession of a punchboard or a similar device illegal. I think there was a reference here to that. That has never been changed.

When you run a shuffle bowler, and I assume you know what a shuffle bowler is—do you?

The CHAIRMAN. The Chair does not know.

Mr. TERRY. May I explain what a shuffle bowler is?

The CHAIRMAN. Briefly.

Mr. TERRY. A shuffle bowler is a miniature bowling alley, played with a puck. It goes down over some sorts of pins which, in turn, activate bowling pins, so that the player who plays this game has the sensation of bowling or the feeling of bowling, and it is played with a puck. A puck is a round object like they play hockey with in England.

Isn't that what they call a puck?

Mr. KENNEDY. Yes.

Mr. TERRY. So on these bowlers, which is like a pinball game, when they first came out it was exactly like bowling, in the sense of the word that you could only bowl a bowling score on it. You could only bowl 300, with strikes and spares, as in bowling.

But in order to induce the players to play more, as in the pinball game, they raised the score on the bowling, so that the bowlers, the shuffle bowlers, got so that you could not only bowl 300 on it, but in my particular case, we will say, as an operator, I had a shuffle bowler that you could only bowl 300 on, but then maybe one of my competitors would bring in a shuffle bowler, and he would say to my customer, the Senator here—

Senator GOLDWATER. No, I am not your customer.

Mr. TERRY. Excuse me.

Senator GOLDWATER. I am not in that kind of business.

Mr. TERRY. Excuse me, sir. We will say we have No. 1 customer or two customers.

Senator GOLDWATER. I have enough trouble without having a connection with pinball machines.

The CHAIRMAN. All right. Let us proceed.

Mr. TERRY. Anyway, so my competitor would come to my customer and say, "I have a bowler that you can bowl 600 on." So my customer would rather have one he can bowl 600 on. So maybe the next week or 2 weeks afterwards, I would come in and say, "I have a bowler you can bowl 3,000 on."

In that way, the scores on these bowlers ran up to fantastic problems of bowling.

So then this thing that is similar to a punchboard, we would take when the score got so high, we would take a shuffle bowler and say, "Well, now, my bowler not only bowls to 3,000, but every time a customer bowls 310, 6,000, or whatever the score is you want to set up on it, then I will let him pull a ticket off of this spindle."

It was a spindle or a jar with a lot of numbers in it, so if he bowled a score of 310, then the customer was entitled to take a pull out of this jar of tickets or off of this spindle.

The CHAIRMAN. That was free?

Mr. TERRY. Yes.

The CHAIRMAN. What did he get when he pulled that off?

Mr. TERRY. If he pulled it off, and he got, we will say, number 100, then he got an opportunity to write his name—I don't know why people laugh. This is actually the way it works.

He got a chance to write his name on another piece of paper that had 100 names. In some cases that was true, and maybe in other cases if he pulled a ticket off and got number 100, he got a coffee percolator. But, usually, I say the thing went on, because then he got a chance to write his name on a card that, say, had 100 names or 50 names, and on that card was a seal. When the card became full of names, whatever number of names it was, 50 or 100, then on a certain night, we will say on a Tuesday night, when it was quiet in the location, they would announce "Next Tuesday night we are going to take the seal off and see who wins the radio, the percolator" or whatever it happens to be.

So all the people who were able to put their name on that card would gather at the tavern, and we would donate the percolator, or whatever it happened to be, and it stimulated business in the tavern, and everyone seemed to enjoy it.

The CHAIRMAN. You would call that a lottery, would you not? It is nearer a lottery than it is a punchboard?

Mr. TERRY. In a lottery, as far as I understand it, you have to pay for a chance. This fellow wouldn't pay for a chance.

The CHAIRMAN. He paid for something.

Mr. TERRY. He paid the bowler.

The CHAIRMAN. And to pull the slip.

Mr. TERRY. If he got the right score, he got to pull the slip; yes, sir.

Mr. KENNEDY. Do you ever have any of these machines where instead of winning a percolator, you might win some money?

Mr. TERRY. There was another idea conceived by one of my competitors.

Mr. KENNEDY. I am just asking about you. It might be conceived by him, but do you have any machines where you get a little money if you win?

Mr. TERRY. I tried one of these things; yes.

Mr. KENNEDY. Did you find that it worked?

Mr. TERRY. No, sir.

Mr. KENNEDY. You do not have any now in operation?

Mr. TERRY. As I say now, I don't know whether I still have it working or not. I can explain to you how it works, if you would like to hear it.

The CHAIRMAN. Does it work? You can answer that yes or no.

Mr. TERRY. In some cases it does work.

The CHAIRMAN. In other words, in some cases the man wins some money?

Mr. TERRY. Yes, sir.

The CHAIRMAN. In some cases, most cases, he loses?

Mr. TERRY. Well, he never loses anything.

The CHAIRMAN. He never loses. He just buys the privilege of playing the board?

Mr. TERRY. Well, he plays the shuffle bowler.

The CHAIRMAN. That is right. He buys the privilege of playing the shuffle bowler?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Do you find it more profitable to the player or more profitable to you as a promoter of it, or whoever promotes it,

to increase the score and add these advantages of getting his name on a piece of paper where it may be drawn and he may get some money or he may get a radio, a television, or something?

Mr. TERRY. Sir, let me answer that question this way.

The CHAIRMAN. Answer it your way.

Mr. TERRY. You are familiar with bowling alleys in the United States, at which there are some 20 million people that bowl.

The CHAIRMAN. That is hardly responsive to the question.

Mr. TERRY. Yes; it is, in this way, sir, if you will indulge with me just a minute.

The CHAIRMAN. All right.

Mr. TERRY. There is not a bowling alley in the United States, I believe, to the best of my ability, that does not have on the side of the bowling alley or in some way demonstrating to the players, that if they bowl a perfect score they might win a grease job for their car or they might even get the car. If the high team wins the league, they might get a trip to Miami.

In other words, as far as bowling, and I don't think there is any doubt in anybody's mind that bowling is a lot of fun, they stimulate the play with prizes.

The CHAIRMAN. I am not questioning that at all. I am asking you how you operate your own business. We do not have to go all over the country and find out how everybody else operates.

Mr. TERRY. I operate the shuffle bowlers on the same theory.

The CHAIRMAN. On the same theory, and you offer inducements for them to play, and they do get a chance to win something?

Mr. TERRY. The same as in a regular bowling alley.

The CHAIRMAN. They might put in a dime or whatever the initial cost is—what is the initial cost?

Mr. TERRY. Ten cents.

The CHAIRMAN. They might put in a dime, and might make a score that entitles them to pull a slip, and that slip gives them another number and entitles them to write their name, and at a drawing, or by some other process, they might get a chance to win a television set. Is that correct?

Mr. TERRY. The same as some man——

The CHAIRMAN. I did not say some man. I said that is correct, is it not?

Mr. TERRY. It is possible, sir.

The CHAIRMAN. Has it ever happened?

Mr. TERRY. To win a television set?

The CHAIRMAN. To win a prize.

Mr. TERRY. Yes, sir. I just stated that we gave away prizes.

The CHAIRMAN. Then why is it necessary to talk about the rest of the country? I am just asking you these questions.

Go ahead.

Mr. KENNEDY. After the punchboards were illegal, did you have any machines where for a nickel or a dime or a quarter you would get a bead out and you would punch through the beads?

Mr. TERRY. No, sir.

Mr. KENNEDY. Do you know what kind of machines I am talking about?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Do you know if they operate now?

Mr. TERRY. That particular type of machine concerned was where I think Mr. Elkins tried to run those machines a year ago.

Mr. KENNEDY. What about you?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never had anything to do with those machines?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never had any of those machines?

Mr. TERRY. No, sir.

Mr. KENNEDY. Tell me, out of this fund that the coin machine men had, did they make any political contributions out of that fund?

Mr. TERRY. Out of the coin machine men?

Mr. KENNEDY. Yes.

Mr. TERRY. I would say they could have, and they could not have. I would say they probably did.

Mr. KENNEDY. They made political contributions?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. And this was a tax free organization? You did not pay the tax when you got the money and they did not pay the tax when they got the money, and then you were making political contributions out of that, is that right?

Mr. TERRY. In some cases, I think we did, sir.

Mr. KENNEDY. Mr. Terry, you were having some difficulty with the teamster union at the end of 1954?

Mr. TERRY. Pardon me?

Mr. KENNEDY. You were having some difficulty with the teamster union at the end of 1954?

Mr. TERRY. I was having some difficulty with the teamsters union before 1954.

Mr. KENNEDY. You have had some difficulties with the teamster union?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. When did your difficulties begin?

Mr. TERRY. Well, I can't give you the exact date, but I can give you the incident when it began.

Mr. KENNEDY. Approximately what date was it?

Mr. TERRY. Approximately, as near as my recollection is concerned, it started in 1953.

Mr. KENNEDY. Do you want to give us the incident in a few words?

Mr. TERRY. Yes, sir: I was sitting in my office one day, and my secretary said, "There are two gentlemen here that want to see you," and I said, "Fine, show them in." In walked a rather large fellow and another man and he introduced himself as John Sweeney, international organizer of the teamsters union. That is where my trouble began.

Mr. KENNEDY. You could not get along with John Sweeney?

Mr. TERRY. Yes, I got along fine with John Sweeney.

Mr. KENNEDY. What did he want? What was the trouble?

Mr. TERRY. He wanted me to join the union.

Mr. KENNEDY. And you did not want to join?

Mr. TERRY. Well, let's put it this way, sir, I, at the time, when he called on me, had had previously, for years before, belonged to the teamsters union, personally.

Mr. KENNEDY. So you did not want to join again?

Mr. TERRY. Well, sir, he wanted all my men to join.

Mr. KENNEDY. You did not want that?

Mr. TERRY. I don't think he knew that I belonged to his teamsters union.

Mr. KENNEDY. What was the problem? You did not want your men to join the union? Is that it?

Mr. TERRY. There was no problem. I don't think anyone wants to join a union if he doesn't have to.

Mr. KENNEDY. I understand that. So that was the beginning of your troubles, you did not want your people to join the union?

Mr. TERRY. Yes, sir.

Senator MUNDT. You said you belonged to the teamsters union a long time before Mr. Sweeney came into your office?

Mr. TERRY. Yes, sir.

Senator MUNDT. Were you at one time a teamster?

Mr. TERRY. Well, sir, in about 1946, I think it was, or 1947, the teamsters made an effort to organize the coin-machine men at that time, and they had several meetings. During the meetings, some of the people in the coin-machine business at that time joined the teamsters union, and their employees joined, I among them. At that time, I had 1 or 2 employees, I think.

As time went by, they gradually dropped out, and quit paying their dues.

My particular men, they left my employ, and whether they kept up their dues or not, I don't know. I personally kept up my dues. I sent in the \$5 a month, every 3-month period, and kept up my dues.

Senator MUNDT. Did you belong to the teamsters union continuously, then, from 1946 to the present time?

Mr. TERRY. No, sir. They gave me a withdrawal card sometime in 1954.

Senator MUNDT. Did you request it?

Mr. TERRY. No, sir.

Senator MUNDT. How did you happen to get it?

Mr. TERRY. I opened the mail one morning and there it was.

Senator MUNDT. That was subsequent to your conference with Mr. Sweeney?

Mr. TERRY. It was subsequent to several conferences with Mr. Sweeney.

Senator MUNDT. Mr. Sweeney had endeavored to get you to have the rest of your members join the teamsters union?

Mr. TERRY. Not only my members to join the teamsters union, but all the fellows in the coin machine business.

Senator MUNDT. You were one person in the coin machine business. Why would he come to you to get all of your competitors to join?

Mr. TERRY. No, sir. When he came to me in his original interview, he said:

I would like to have you and all the other fellows in the coin machine business join the teamsters union.

Senator MUNDT. You could speak only for yourself?

Mr. TERRY. That is what I told him.

Senator MUNDT. What did you tell him as far as you were concerned?

Mr. TERRY. As far as I was concerned, I had no objection to joining the teamsters union, but I could only speak for myself. If he

wanted to talk to the rest of the people in the business, he could talk to them.

Senator MUNDT. Then how did you have trouble with Mr. Sweeney if he came in and said, "Would you join the union?" And you said, "Yes." How would that brew up any trouble?

Mr. TERRY. Sir, I guess we would probably have to qualify it as a degree of trouble. From that time, from 1953, there was a serious of meetings, at which we would call a meeting and we would discuss joining the teamsters union, and the health and welfare plan and this and that, the rest of it that goes along, and then afterwards we would have a discussion amongst ourselves as to whether we would or would not join.

Senator MUNDT. When Mr. Sweeney called on you that day, you said he was in the company of another man. You said two men came in to see you, one of whom was Mr. Sweeney.

Mr. TERRY. Yes, sir.

Senator MUNDT. Who was the other man?

Mr. TERRY. As I remember the other man was a Tommy Malloy.

Senator MUNDT. Tommy Malloy?

Mr. TERRY. Yes, sir.

Senator MUNDT. Is that the Mr. Malloy that you saw in the committee room yesterday?

Mr. TERRY. No, sir.

Senator MUNDT. That is not the same Malloy?

Mr. TERRY. No, sir.

Senator MUNDT. Tell us some more about Tommy Malloy.

Mr. TERRY. Tommy Malloy was introduced to me as being the secretary, I think, of the service station, of the garage people, whatever local embraces those people.

Senator MUNDT. You are sure it could not have been Tommy Maloney?

Mr. TERRY. No, sir, because this Tommy Malloy was about my size and maybe a little smaller.

Senator MUNDT. Mr. Sweeney tried to get you to join the union. What did he say was the change? How did he try to induce you to join the union? What did you have to gain by joining the union?

Mr. TERRY. I don't know whether it was that particular time—remember, this is 1953—when one of the things that he told me was that he had had complaints that my men were dissatisfied, that I was working them too hard, not paying them too much, and he had had a lot of complaints, and it was his job to come out and take care of my employees.

Senator MUNDT. So you told him then, "All right, I will join the union. I will have my men join the union." Is that right?

Mr. TERRY. No, sir.

Senator MUNDT. I thought you told him that as far as you were concerned, you were willing to join.

Mr. TERRY. I told him as far as I was concerned I have no objections to join the union, if he can convince the other fellows to join the union, if he can show me that my men were dissatisfied.

Senator MUNDT. When you got your withdrawal card by surprise through the mail, what action did you take then?

Mr. TERRY. Well, I don't know whether I took any definite action or not, but I felt that when I got a check back from the union, that I was headed for trouble.

Senator MUNDT. Did you talk to anybody about it?

Mr. TERRY. I talked to a lot of people about it.

Senator MUNDT. Anybody in the union?

Mr. TERRY. I could have talked to John Sweeney at that time about it.

Senator MUNDT. What did he tell you?

Mr. TERRY. Well, sir, at that time, John Sweeney wouldn't talk to me about it. I mean about the union.

Senator MUNDT. You went to talk to him and he would not talk to you; is that right?

Mr. TERRY. Right.

Senator MUNDT. When did you see him?

Mr. TERRY. Maybe I can clarify that a little bit, sir. During the time from 1953 to the time that I got the withdrawal card, or maybe slightly before that, we had had several meetings, and during that time—

Senator MUNDT. By "we," you mean you and Sweeney?

Mr. TERRY. No. By "we," I am speaking now of most of the members of the Coin Machine Men of Oregon.

Senator MUNDT. You and Jimmy Elkins?

Mr. TERRY. No, sir. Jimmy Elkins, as far as I was concerned, was never a member of the Coin Machine Men of Oregon.

Senator MUNDT. Was he not a coin machine operator?

Mr. TERRY. Yes, sir.

Senator MUNDT. All right. Go ahead.

Mr. TERRY. During the time from 1953 to the time, we will say, when I got the withdrawal card, we had numerous meetings, with John Sweeney and with members of our organization, we will say, or who represented the operators, and during that time, of course, we had been on the way of negotiating a contract. We were asking in that contract everything we could possibly ask, as far as we were concerned, in the way of hours. We had one condition in there with a 6-day week that we wanted, and another condition in there in which no car expense was wanted, and then there was one other phase of it which was important to me, the health and welfare program. This health and welfare program that I have now I can't criticize. I think as far as I am concerned, it was almost as good as the one I had.

But because I had previously had what I considered a good health and welfare program, or a good program—it was that in the program I had, I had a \$5,000 life insurance policy for each one—

Senator MUNDT. I do not think the committee is interested in all those details. We are interested now in why you could not talk to Mr. Sweeney when you went to see him after he sent you the withdrawal card. The question was when did you talk to Sweeney? Let us answer the question. Where did you talk to Mr. Sweeney, and when did you talk to Mr. Sweeney? If it was at his office, where was the office?

Mr. TERRY. When I got the withdrawal card, I went to Mr. Sweeney and told Mr. Sweeney that I was ready to join the teamsters union, provided—

Senator MUNDT. Where did you see Mr. Sweeney?

Mr. TERRY. I saw Mr. Sweeney at his office in Seattle 2 or 3 times.

Senator MUNDT. You went from Portland to Seattle to talk to Mr. Sweeney in his office?

Mr. TERRY. Yes, sir.

Senator MUNDT. You said, "I am ready to join the union"?

Mr. TERRY. Yes, sir.

Senator MUNDT. And what did he say?

Mr. TERRY. He said, "I will let you into the union, but I will not let you in with the contract you want."

Senator MUNDT. Then you were not ready to join the union, if he would not give you your terms.

Mr. TERRY. I was ready to join the union, if he would give the contract with the 6 days—

Senator MUNDT. In other words, you were ready to continue the negotiations?

Mr. TERRY. That is the attitude he took.

Senator MUNDT. That is the attitude you took, too, because you said "I will join the union on my terms."

Mr. TERRY. Yes; basically.

Senator MUNDT. All right. He said he would not talk to you?

Mr. TERRY. He would not talk to me about that and would not talk to me about anything that concerned the deal, except to let me know very plainly that I could not get into the union.

Senator MUNDT. You believe that the extent of the conversation in Seattle was that you went to him and said, "I am ready to join the union on my terms," in substance, and he said "I won't talk to you about joining the union under the terms you have submitted"?

Mr. TERRY. Yes, sir.

Senator MUNDT. And you turned around and came back to Portland?

Mr. TERRY. Yes, sir.

Senator MUNDT. Then what happened?

Mr. TERRY. I think on another occasion I probably went to see him.

Senator MUNDT. When was that?

Mr. TERRY. I think on another occasion I probably went to see him, or made an effort to see him.

Senator MUNDT. You went to Seattle a second time to see him. About how long after the first time?

Mr. TERRY. I can't remember that, sir.

Senator MUNDT. A year, a month, a day?

Mr. TERRY. No, sir. My trips to Seattle, and to San Francisco, to see Mr. Sweeney, was during the period, I would say, basically from November the fourth to March 10.

Senator MUNDT. In other words, you were pretty persistent about trying to get into the union?

Mr. TERRY. Yes, sir.

Senator MUNDT. You went to see him twice in Seattle, perhaps, and once in San Francisco?

Mr. TERRY. Yes, sir; I was persistent to get into the union, if I could get in by a proper contract.

Senator MUNDT. And each time you talked with him, he had some reason why you could not get in? He would not even talk to you about it?

Mr. TERRY. He talked to me about the weather, everything else, but as far as the contract was concerned, he would always say, "I don't want to talk about any contract."

Senator MUNDT. In other words, you gathered the idea that he was simply slamming the union door in your face; is that right?

Mr. TERRY. Well, he certainly wasn't opening it up.

Senator MUNDT. He was not trying to get you in, but he was trying to keep you out; is that right? Is that the way it looked to you?

Mr. TERRY. Well, it looked to me like each time I talked to him—

Senator MUNDT. Did it look to you like he was trying to pull you in or push you out?

Mr. TERRY. It looked to me like he was trying to give me a bad time.

Senator MUNDT. Trying to keep you out; is that right?

Mr. TERRY. I would say so.

Senator MUNDT. All right.

Mr. KENNEDY. This really came to a head, did it not, when they put pickets on your Mount Hood Cafe, where you had machines?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. And the owner, Mr. Crouch, of the Mount Hood Cafe, called you and said "Get in the union," as he related to us yesterday?

Mr. TERRY. Well, basically, yes. What he said yesterday, I wouldn't say was wrong or right, I mean, it was conversation.

Mr. KENNEDY. Did you tell him you couldn't get into the union, as he related yesterday?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. That is, until you could get in touch with the head man in Seattle?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Did you make a number of trips to Seattle after that? Did you specifically go up to Seattle on February 3?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Did you go up to Seattle again on February 19?

Mr. TERRY. It could be, sir.

Mr. KENNEDY. And you visited John Sweeney?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. And then did you go up again in March, on March 8?

Mr. TERRY. It could be, sir.

Mr. KENNEDY. And did you go again on March 9?

Mr. TERRY. No; I don't think I would go one day after another.

Mr. KENNEDY. According to United Airlines, you went March 8, 1955, Portland to Seattle, round trip, and you went up again on March 9—and this is just United Airlines—you went up again on March 9, Portland to Seattle.

Mr. TERRY. It could be, then.

Mr. KENNEDY. Did you ever make a trip to San Francisco?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Will you relate to the committee what the circumstances were that you went down to San Francisco to get into the union?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Go ahead.

Mr. TERRY. The trip that relates to my trip to San Francisco is this. My office is on the other side of the teamsters union, and I go over to the YMCA 2 or 3 times a week to play handball, and on the way by the teamsters union I stopped in to see Mr. Clyde Crosby, and I asked Mr. Clyde Crosby if I could get into the union under the contract that I wanted to get in under and Mr. Clyde Crosby, as he told me before, I think, a couple of times, said as far as he was concerned, Mr. John Sweeney had started negotiations and I had to finish them with John Sweeney.

Mr. KENNEDY. Let me ask you, then, was it not rather peculiar that here you were just trying to get into a local union and you should have been negotiating with Mr. Hildreth? Why were you even discussing it with Mr. Clyde Crosby, the international organizer, and then you were making trips up to see the secretary-treasurer of the whole Western Conference of Teamsters?

Mr. TERRY. I talked to John Hildreth about it, and he told me I had to see Mr. Sweeney, too.

Mr. KENNEDY. Why would they not just let you in the union? Why could they not negotiate themselves? Why did you have to see Mr. Sweeney?

Mr. TERRY. I just told you.

Mr. KENNEDY. Why?

Mr. TERRY. You will have to ask Mr. Clyde Crosby and Mr. Hildreth why they told me.

Senator MUNDT. Mr. Terry, you are a rather talkative fellow, and when Mr. Hildreth said this was the logical place to go and that you had to go to see Mr. Sweeney to get a contract, I cannot imagine you not saying "Why." You did not develop any reticence before Mr. Hildreth that you do not have before this committee, did you?

Mr. TERRY. Yes, sir. As far as I am concerned, Senator, and I do not mean to be facetious, but I am the one that is being questioned, so I have to talk a lot. As far as I am concerned with Mr. Hildreth, my impulse would be as I am talking to you, I would say "Mr. Hildreth, if you will give me the contract I negotiated before, I am ready to get into the union" and if you said "You will have to see Mr. John Sweeney," my impulse would be "Why?"

Senator MUNDT. Your impulse would be to say "Why"?

Mr. TERRY. My impulse would be to say "Why."

Senator MUNDT. What did he say?

Mr. TERRY. I don't know what the exact words were.

Senator MUNDT. In substance.

Mr. TERRY. His words were this, that Sweeney is the boss.

Senator MUNDT. Sweeney is the boss?

Mr. TERRY. Sweeney is the boss. In other words, my understanding, both from Mr. Hildreth, Mr. Crosby, and anybody else that I knew in the teamsters union, was that Mr. Sweeney was the boss.

Mr. KENNEDY. Did everybody that got into local 223, everybody that they were organizing, have to make a trip to Seattle? Everybody had to go see John Sweeney?

Mr. TERRY. I don't know if everybody had to see John Sweeney or not.

Mr. KENNEDY. John Sweeney was the boss. Everybody who wanted to join a local union, anybody that was interested in joining the union,

everybody, they all had to make a trip to Seattle and talk to the secretary-treasurer of the Western Conference of Teamsters?

Mr. TERRY. I don't think so.

Mr. KENNEDY. Why did they send you up there?

Mr. TERRY. As I related before, that was the man I had to see.

Mr. KENNEDY. Going back to the time that you met Clyde Crosby in the—where did you meet him?

Mr. TERRY. Do you have the date when I went to San Francisco?

Mr. KENNEDY. You went to San Francisco on February 16, and then you went on March 8 also. You bought a ticket on March 8. You went from Portland to Las Vegas, to San Francisco and back to Portland.

Mr. TERRY. I went to San Francisco March the when?

Mr. KENNEDY. You went February 16.

Mr. TERRY. Yes, sir.

Mr. KENNEDY. That was shortly after the Mount Hood Cafe incident.

Mr. TERRY. And March 8 to Las Vegas?

Mr. KENNEDY. You went to Las Vegas. You were very busy during the period of March 8 to March 9. But you went to San Francisco on February 16. Anyway, when you went to San Francisco, tell us about the conversation with Clyde Crosby that brought about your going to San Francisco.

Mr. TERRY. Yes, sir. I was on my way to the YMCA, and I thought I would stop in and see Crosby, if he was ready to let me sign the contract we originally negotiated for. He happened to be in the coffee shop. I said, "Clyde, we have been fooling around with this thing. I have been up to see Sweeney. It is hard to see Sweeney. You can't make an appointment. If you call him, he is out, and if you do anything to let him know you are coming to see him, he is gone. But," I said, "this, as far as I am concerned, has gone. There has been a lot of conversation around town that they weren't going to let me in the union."

Mr. KENNEDY. Was that not the conversation around town that they would not let you in the union under any circumstances? You never complained about the fact that they would not let you in under your conditions?

Mr. TERRY. By that time, my accounts were being picketed, there had been a picket on the Mount Hood Cafe, and that sort of thing.

Mr. KENNEDY. So you would go into the union under any circumstances? Is that not the sentiment you expressed around town, that you were ready to get into the union?

Mr. TERRY. Yes; I was ready to get into the union, but not under any circumstances.

Mr. KENNEDY. Well, not under any circumstances, but under any circumstances that they would let you into the union?

Mr. TERRY. No, not under any circumstances that they would let me into the union.

Mr. KENNEDY. Well, under the same contract that they let others in, as they let Budge Wright in? You were ready to go in under that contract?

Mr. TERRY. Yes, sir. Well, he said I would have to see Sweeney. I said, "Who can see Sweeney?" He said, "Sweeney is down in San Francisco now." I said, "Down in San Francisco? I am not going

to go to San Francisco to see Sweeney." He said, "If you are really serious about getting into the union, and you are ready to sign a contract, you will go down and see him. After all, he is down there with a friend of yours in the coin machine business, attending a conference down there, and maybe you can persuade him to let you sign a contract to come into the union or persuade Sweeney to give you the contract you want."

I said, "That is a kind of absurd thing, to ask me to go down there." Once again he said, "Well, if you are serious about it, I think you should." So I said, "Well, just to prove to you that I am serious about signing a contract and getting into the union, I will get on the airplane and I will go down to San Francisco."

Then I turned my car around and went out to the airport, got a ticket, no toothbrush, no nothing, and went down to the Cliff Hotel, where Mr. Crosby said he was staying, waited in the lobby of the Cliff Hotel, they told me there he was registered there, I waited in the lobby of the hotel until, I don't know, 7 o'clock in the evening, and in walked Mr. Sweeney.

I said, as near as I can remember, "John, I would like to talk to you about the contract."

"I don't want to be bothered. Who told you I was here?"

He just didn't give me any satisfaction at all.

I said, "Well, I made this trip all the way down here. Can I talk to you sometime?" And he said, "Yes, you can see me tomorrow morning at breakfast."

"What time do you eat breakfast?"

"I don't know what time I eat breakfast. Sometime around 9 o'clock."

"Well, if I am here, can I talk to you then?"

He says, "If you are here."

I tried to get a room at the Cliff Hotel and couldn't get a room. I went across the street and stayed. The next morning I went down by the elevator about 8:30, and waited for Mr. Sweeney to come down, about 10:30, I think, or so.

He said good morning to me. Two or three other fellows had breakfast with him. During breakfast, I said, "Mr. Sweeney, I want to talk to you about this union contract."

"I don't want to be bothered about union contracts at my breakfast."

He wouldn't let me talk.

I said, "Can I see you later in the day?" And he said, "No, I am going to be busy with conferences later in the day."

So I went on the airplane and went home.

Senator MUNDT. Who was the other coin-machine operator at San Francisco at that time?

Mr. TERRY. There was a fellow who had been in business there, and who had been in business for a long time, who was a distributor there, and his name was Lon Walcher. He had been in business for a long time. He, and I think all the operators in San Francisco, at least that is what John Sweeney told me, belonged to the teamsters union in San Francisco.

Senator MUNDT. This was a San Francisco operator, not a Portland operator?

Mr. TERRY. A San Francisco operator; yes, sir.

The CHAIRMAN. After you left San Francisco, you went back to Portland?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Where did you go from there?

Who was the next person you contacted?

Mr. TERRY. Well, I think the next person I contacted, as far as John Sweeney is concerned, was no one, unless you might call——

The CHAIRMAN. Something else happened afterward. You finally got in the union. Let us move toward that direction now.

Mr. TERRY. Yes, sir.

The CHAIRMAN. What did you do next?

Mr. TERRY. May I make one other point here, sir?

The CHAIRMAN. Yes, sir. Make it.

Mr. TERRY. By February 16, in fact by February 9 or 10, I felt sure in my own mind, and I had collaboration to the fact, that the teamsters, sooner or later, had to let me in the union.

The CHAIRMAN. How did they have to let you in?

Mr. TERRY. May I explain that?

The CHAIRMAN. I asked the question. Yes, sir, go ahead.

Mr. TERRY. When the pickets went on the Mount Hood Cafe, and you heard the testimony on that, then from there, of course, Mr. Crouch called me and asked me to come down and do something about taking the pickets off. I said I would do something to take the pickets off, and I will also see somebody that I think would let me join the union. I had been fighting the union because I didn't want to join the union. But as far as I was concerned, I would see somebody, and if I could get into the union, I would join the union.

I went to see my attorney at the office of Black, Kendell & Fain. The office of Black, Kendell & Fain are also attorneys for the Oregon Publishing Co. Black, Kendell & Fain had done a lot of law work, particularly David Fain, as far as the fight with the city ordinance, to perpetuate the ordinance.

I went to see David Fain, who was my attorney, and not to quote the words at that particular time, but I was mad, I said, "David, let's get the pickets off the Mount Hood Cafe. Let's sue them, let's take them to court, let's do anything we can do to take the pickets off."

David said, "Well it might take a few days to do it, but we can get the pickets off."

I said, "Get them off."

The picket went on the last day of January, and he was on for the 1st, the 2d, and 3d of February. The second day that the pickets were on there, I went back to see David Fain, and David Fain told me basically this, that it would be a hard job to get the pickets off, that it would take a week or 5 or 6 days to get the pickets off at best.

I said, "In 5 or 6 days the Mount Hood Cafe will be out of business, because he is down there with railroad men and taxi drivers."

The CHAIRMAN. Let us get down to the point now.

Mr. TERRY. Just let me finish this story, sir.

He explained to me that the reason we would have a hard time to get the teamster pickets off the Mount Hood Cafe was because of a brewery case that came out of some United States decision that said this, that they had a picket on a man's brewery, and the picket stayed in front of the brewery and didn't have much effect. But when they

took the pickets away from the brewery and followed the brewery wagon around to the different accounts, it had a very good effect. Everybody joined, or the brewery joined immediately. That case went to the Supreme Court, and the Supreme Court, as Mr. Fain explained it to me, said that the union had a right to follow a man's product. He explained to me then that we would have a hard time getting the picket off, and also it would cost time and money.

The CHAIRMAN. You are explaining the other way, instead of explaining how you could get in, getting advice that you could not get in.

Mr. TERRY. I will explain now.

So then I said, "Well, then, I have to go down and get the picket off of Mr. Crouch's place."

So I went down to Mr. Crouch's place, which was then, I suppose, the third, because that is when the picket went off, and took my machines out of the Mount Hood Cafe. When I took my machines out, then the picket left.

Then the problem was what to do about the union. Because of my withdrawal card, I had already tried to get in, and I knew I was in, we will say, a little trouble.

The CHAIRMAN. You were in the doghouse with the union?

Mr. TERRY. To put it in the vernacular, yes, sir. I was in the doghouse.

The CHAIRMAN. The vernacular we understand.

Go ahead.

Mr. TERRY. So David said to me after a couple of days, he said, "I know how we can keep these teamsters from bothering you any more."

That was the best news I had heard for quite a little while.

The CHAIRMAN. That was your lawyer?

Mr. TERRY. Yes, sir.

The CHAIRMAN. What did he say?

Mr. TERRY. He picked up the telephone in my presence and called Jim Landye, the attorney for the teamsters union. Mr. Landye was a highly respected lawyer in Oregon, and had the reputation of representing the teamsters union. He called, and as I remember the conversation was basically this: "Mr. Landye, I have my client, Stanley Terry, in my office, and I am saying this to you now as one attorney to another," or the ethical way of putting it, whatever it happens to be, "And I am informing you now that Mr. Terry is ready and willing to sign a contract from the teamsters union. If you will bring the contract down or have an agent of the union bring the contract down, Mr. Terry will sign it. Furthermore, if the teamsters union should picket any more of Stan Terry's locations, or harass him in any way, we are going to sue the teamsters union for everything that we can, and Mr. Landye, you know me and my reputation as an attorney. I mean every word of it."

He hung up the phone, and he said, "Now, Stan, just let them put one more picket on your place, just let them put one more belt under the belt, or kicking around, and we will have the best lawsuit we ever had."

The CHAIRMAN. If he was going to take care of you that well, it was not necessary for you to go into the union, was it?

Mr. TERRY. Pardon?

The CHAIRMAN. If he was going to take care of you that well, there was no need for you to join the union, was there?

Mr. TERRY. No, sir.

The CHAIRMAN. Now we got to the point where you do not have to join.

Mr. TERRY. I don't have to join.

The CHAIRMAN. We are relieved.

Go ahead.

Mr. TERRY. So then as far as I am concerned with Mr. Sweeney, my conversations with him, and what he didn't know, was that I had him so that he couldn't do anything with me, and, therefore, with the efforts of chasing him around, I could talk to him, or might be able to talk him into the fact of taking the contract that I had previously negotiated, which was a 6 day a week, no health and welfare, and that sort of thing.

So I tried my best to prevail on Mr. Sweeney, with "Mr. Sweeney, let's bury the hatchet. You put the pickets on the Mount Hood Cafe. I am willing to join the union, but I want my contract. I want my original contract."

Mr. Sweeney, of course, every time he talked to me gave me the brush off, made it hard for me to find him. That was the reason why with Mr. Sweeney I had no hesitation at any time to go talk to Mr. Sweeney, because I think, or thought at the time, I had Mr. Sweeney just about where I wanted him.

The CHAIRMAN. So your attorney already advised him that you would sign a contract, in your presence?

Mr. TERRY. Advised who, sir?

The CHAIRMAN. Your attorney advised the attorney of the teamsters that you were there ready to sign a contract before that, in his office?

Mr. TERRY. Yes, sir.

The CHAIRMAN. And that was the union contract that they wanted you to sign, was it not?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Not the contract that you proposed, but the contract that the union had wanted you to sign. You had gotten to the point where you were ready to do that?

Mr. TERRY. Yes, sir.

The CHAIRMAN. And your attorney advised the attorney for the union that you were ready to do that, and if they did not take you on the terms of their own contract then he could take these actions to protect you?

Mr. TERRY. Right, sir.

The CHAIRMAN. So you went back, and after telling him you were ready, or your attorney telling him you were ready, to sign the contract, you say you went back and demanded your old contract, the one you proposed?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Is that what you mean to say?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Proceed.

Mr. TERRY. So it was my subsequent visits to Mr. Sweeney both in Seattle and San Francisco.

Mr. KENNEDY. I don't think you ever answered the question of the chairman as to why you wanted to join the union. You really had them by the time your lawyer called up their lawyer.

Mr. TERRY. Sir, if I made myself clear, I was in this position. I knew I would have to sign a contract if they brought it down to me. In other words, if they brought me down a contract, after David Fain called them, if they brought down a contract that said, "Stan Terry, at 12 o'clock noon, stand on your head at Fourth and Morrison," I was obligated to sign the contract, and I was ready and willing to do it.

But they never brought the contract around.

Mr. KENNEDY. You had them, so they could not bother you any more, so why did you go and make all of these trips, without a toothbrush, to San Francisco, and 2 or 3 trips to Seattle? You did not have to join the union then. You said you really had them just where you wanted them.

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Why did you do all of this traveling, then?

Mr. TERRY. Why? I did it for this reason, that in my accounts, they were all asking me why I didn't join the union, or if I had made my peace with the union, or when I was going to get into the union, because there was a newspaper article that the Mount Hood Cafe had been picketed and they were afraid that they were going to be picketed.

In fact, during that period, my accounts would call me and say, "Stan, have you joined the union yet? I don't want a picket in front of my place."

I even went as far as telling my accounts, "Don't worry, if a picket goes in front of your place, I will have them off in 5 minutes and will sue the union."

The CHAIRMAN. Let us move a little faster. The Chair wants to be patient and give you every indulgence possible, but let us move on down.

When did you finally make a contract with them?

Mr. TERRY. I finally made a contract with them sometime in the middle of March, I guess, or somewhere in March.

The CHAIRMAN. You never were able to make it with Sweeney, were you?

Mr. TERRY. No.

The CHAIRMAN. You were never able to make it with Clyde Crosby, were you?

Mr. TERRY. No, sir.

The CHAIRMAN. Who was the next high man that you had to go to?

Mr. TERRY. The only man ahead of John Sweeney would be Frank Brewster.

The CHAIRMAN. You finally had to go to Frank Brewster, did you?

Mr. TERRY. I never went to Frank Brewster.

The CHAIRMAN. Who made the appointment for you when you went to see Frank Brewster?

Mr. TERRY. I think Hy Goldbaum made an appointment for me to see Frank Brewster, but I didn't see Frank Brewster.

The CHAIRMAN. You did not see Frank Brewster?

Mr. TERRY. No, sir.

The CHAIRMAN. You went to his office?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Who is Hy Goldbaum?

Mr. TERRY. Hy Goldbaum is a fellow I met in Las Vegas.

The CHAIRMAN. You never met him before, had you?

Mr. TERRY. No, sir.

The CHAIRMAN. He was recommended to you, was he?

Mr. TERRY. Hy Goldbaum——

The CHAIRMAN. He was recommended to you, for you to get in contact with, was he?

Mr. TERRY. No, sir.

The CHAIRMAN. Who recommended him?

Mr. TERRY. I didn't say he was recommended.

The CHAIRMAN. I am asking you who recommended him to you?

Mr. TERRY. A fellow by the name of Shear.

The CHAIRMAN. Then he was recommended to you, was he not?

Mr. TERRY. Well, sir——

The CHAIRMAN. Let us go on. You said you are here, and emphasizing that you want to tell the truth. Shear recommended Goldbaum to you, did he not?

Mr. TERRY. Shear, yes, sir.

The CHAIRMAN. He recommended to you that he could help you, did he not, in connection with your union problems?

Mr. TERRY. He said he probably could, yes.

The CHAIRMAN. And he told you why he could help you, did he not?

Mr. TERRY. Yes, sir.

The CHAIRMAN. He told you because of certain connections he had with Frank Brewster, that he could get you an appointment with Frank Brewster and get Frank Brewster to let you into the union, did he not?

Mr. TERRY. He didn't tell me exactly that.

The CHAIRMAN. Well, that is what you understood from him, was it not?

Mr. TERRY. No, sir.

The CHAIRMAN. What did you understand from him?

Mr. TERRY. I understood from him that he was a good friend of Frank Brewster's.

The CHAIRMAN. And that he could help you?

Mr. TERRY. Well, if he was——

The CHAIRMAN. You went to Las Vegas to get in touch with Hy Goldbaum, did you not?

Mr. TERRY. No, sir.

The CHAIRMAN. What did you go to Las Vegas for?

Mr. TERRY. I went to Las Vegas on a business deal.

The CHAIRMAN. That was a business deal you were interested in at that time, trying to get into the union, was it not?

Mr. TERRY. I had another business deal.

The CHAIRMAN. That would probably be a side issue, but you went there to get in touch with Hy Goldbaum, did you not?

Mr. TERRY. Mr. Chairman, I want to say this now——

The CHAIRMAN. I know——

Mr. TERRY. How do you know what I am going to say, until I say it?

The CHAIRMAN. I know what the facts are. Go ahead.

Mr. TERRY. I want to say this: I went to Las Vegas for the main purpose of transacting a business deal in Las Vegas, and, about seeing Hy Goldbaum, not being sure that I could see Hy Goldbaum.

The CHAIRMAN. But you wanted to see him, is that right?

Mr. TERRY. Yes, I would want to see him.

The CHAIRMAN. When did you see Hy Goldbaum? Was it when you were at Las Vegas?

Mr. TERRY. Yes, sir.

The CHAIRMAN. What did you talk to him about?

Mr. TERRY. I talked to him very briefly about the union.

The CHAIRMAN. About what?

Mr. TERRY. About the union.

The CHAIRMAN. All right, go ahead. What arrangements did you make with him?

Mr. TERRY. Mr. Chairman, if you would give me 3 minutes, I will tell you the complete transaction.

The CHAIRMAN. I have been giving you more than that from time to time. I see no reason why I cannot give it to you again. Go ahead for 3 minutes and tell the transaction.

Mr. TERRY. Would you give me 5 minutes to tell the transaction, sir?

The CHAIRMAN. You only talked to him briefly.

Senator MUNDT. Mr. Chairman, before we get into this conversation, and it is going to be rather long, I can see that, I wonder if we cannot get the full circumstances as to how he first met Mr. Goldbaum, whom he said he did not know at the time he left Portland.

Is that right?

Mr. TERRY. Yes, sir.

Senator MUNDT. But you had been told by Mr. Shear that he would be a good man for you to see?

Mr. TERRY. Yes, sir.

Senator MUNDT. So you went to Las Vegas to see him?

Mr. TERRY. Yes, sir.

Senator MUNDT. When you go to Las Vegas to see a man whom you do not know, somebody probably has to establish a contact with him.

Mr. TERRY. Sir, would you give me 5 minutes, sir?

Senator MUNDT. I want to know first of all, because I know, and I want you to tell us, who it was in Las Vegas who put you in touch with Mr. Goldbaum.

Mr. TERRY. Sir, who actually introduced me to Mr. Goldbaum?

Senator MUNDT. That is correct.

Mr. TERRY. Mr. Caprie.

Senator MUNDT. Of the Flamingo Hotel?

Mr. TERRY. Yes, sir.

Senator MUNDT. You knew Mr. Caprie before that?

Mr. TERRY. I had never actually met Mr. Caprie, if that is his name.

Senator MUNDT. Well, we will not argue about the pronunciation. If you did not know Mr. Caprie when you went to Las Vegas, how did you meet him?

Mr. TERRY. That is what I want 5 minutes to explain.

Senator MUNDT. How you met Mr. Caprie?

Mr. TERRY. Yes, sir.

Senator MUNDT. That is 5 minutes in addition to the Goldbaum matter?

Mr. TERRY. No, sir. That is included in the 5 minutes.

Senator MUNDT. Since you will identify that man, I will have no objection to the 5 minutes.

Mr. KENNEDY. Before you start in, what had you heard about Hy Goldbaum?

Mr. TERRY. I just said that Mr. Shear told me he was a good friend of Mr. Brewster's.

Mr. KENNEDY. Did you hear that Frank Brewster had an obligation to him?

Mr. TERRY. No; not particularly.

Mr. KENNEDY. Well, did you hear something like that, that Hy Goldbaum had done a great favor for Frank Brewster?

Mr. TERRY. From Mr. Shear?

Mr. KENNEDY. From anyone.

Mr. TERRY. I learned later that Mr. Goldbaum and Mr. Brewster were good friends. What he did to become good friends, I don't know.

Mr. KENNEDY. Were you told that Hy Goldbaum had done a great favor for Frank Brewster?

Mr. TERRY. I don't believe that was ever said.

Mr. KENNEDY. Was that ever discussed at all?

Mr. TERRY. No, sir.

Mr. KENNEDY. Never discussed?

Mr. TERRY. Not as I can remember; no, sir.

Mr. KENNEDY. You just heard that they were friends. Is that all?

Mr. TERRY. I heard they were friends. Well, sir, as far as that is concerned, when you say, "Well, you are a good friend of mine," and the fellow says, "How do you know?" or this or that, maybe you can use the expression he did a good favor, or that they have been friends a long time, or they went to school together.

Mr. KENNEDY. And that Frank Brewster was under obligation to him?

Mr. TERRY. I never heard that Frank Brewster was under obligation to him; no, sir.

Mr. KENNEDY. You did hear that he had done him a great favor; is that right? You knew he was under great obligation? That was never discussed?

Mr. TERRY. You are speaking about conversations, and I am not sure whether or not—if somebody said I made that kind of statement, I may have made that statement. I don't ever remember that.

Mr. KENNEDY. You remember discussing that, that Hy Goldbaum did a great favor for Frank Brewster?

Mr. TERRY. Discuss it with who?

Mr. KENNEDY. With anyone.

Senator MUNDT. Is it possible that you made that statement?

Mr. TERRY. It is possible; yes, sir.

Senator MUNDT. Who is Mr. Shear? Is he a pinball operator, too?

Mr. TERRY. No, sir.

Mr. KENNEDY. That is Mr. Karl Shear, residing at 1417 Northeast Thompson Street, Portland, Oreg.

Senator MUNDT. Is that right?

Mr. TERRY. I don't know what his address is, but that is the man; yes, sir.

Senator MUNDT. Who is he?

Mr. TERRY. Mr. Shear is in the loan business in Portland. No. He says he is in the banking business.

Senator MUNDT. The banking business in Portland?

Mr. TERRY. Yes, sir.

Senator MUNDT. And he is a friend of yours?

Mr. TERRY. Yes, sir.

Senator MUNDT. You went to Mr. Shear for what purpose? How did he happen to tell you about Goldbaum?

Mr. TERRY. Well, that fits in this whole transaction, if you will just let me tell the story.

In other words, the whole transaction went on between Shear, Goldbaum, and Brewster. I will tell you the whole transaction.

(At this point, the chairman left the room.)

Senator MUNDT. We want to establish first, before you start into that, how you happened to go to Mr. Shear in the first instance in connection with your trouble with the teamsters' union. He is a banker. He is not involved in pinballing, and he is not involved in the teamsters.

Mr. TERRY. Whe the chairman comes back, sir, I will explain the whole thing.

Senator MUNDT. You may begin your explanation at this point by telling us how you happened to go to Mr. Shear.

Mr. TERRY. Mr. Shear and I have been friends and have done business together for a number of years.

Senator MUNDT. Did you go to him and discuss the trouble you were having with the teamsters' union?

Mr. TERRY. No, sir.

Senator MUNDT. How did he happen to inject himself into your problem? If you did not bring it up with him, he must have brought it up with you.

Mr. TERRY. No; I brought it up with him.

Senator MUNDT. I have just got through asking you if you discussed the problem with him, and you said no, sir.

Mr. TERRY. I didn't go to him to discuss the problem.

Senator MUNDT. How did you happen to discuss it with him?

Mr. TERRY. In the course of conversation.

Senator MUNDT. Where was the conversation?

Mr. TERRY. In the Arrow Club of Oregon.

Senator MUNDT. The two of you met in the Arrow Club?

Mr. TERRY. He called me and wanted me to go to lunch.

Senator MUNDT. So you told him, "I am having a lot of trouble with my pinball business, and the teamsters union is causing me a lot of difficulty," and you related your problem?

Mr. TERRY. Yes, sir.

Senator MUNDT. What did he say?

Mr. TERRY. Well, that is part of the whole story.

Senator MUNDT. Let us start the whole story with that question.

Mr. TERRY. Well, let's start the story this way, then, sir:

Mr. Shear called me on the telephone several months, I guess, or maybe 2 months, prior to November 4. As far as the dates are con-

cerned, I can't put the dates down exactly when he called. My connection with Mr. Shear was this:

Mr. Shear was in the loan business. If a man wanted to buy a tavern, we will say, and if he didn't have enough money to buy a tavern, he would come to me or come to the real estate man, and would say, "Here, I have \$2,000, with which I want to buy a tavern."

(At this point the chairman returned.)

Senator MUNDT. You are taking too much time here. We are just interested in certain facts, not your whole business career and all the facts of life. We are interested in certain problems. If you would be responsive to the question, it would indicate that you want to start home today. Certainly you want to start home within the next 2 weeks. You will never get started home, if you relate your whole life.

Answer the question as to how Mr. Shear injected himself into your difficulty. You told him the problem in the Arrow Club?

Mr. TERRY. Yes, sir.

Senator MUNDT. Now, you say he told you to see Goldbaum. Tell us about the circumstances under which he told you to see Goldbaum.

Mr. TERRY. Yes, sir. I told you I would tell you the circumstances if you would allow me 5 minutes, and you said wait until the chairman comes back. I am ready to tell you.

Senator MUNDT. Start in.

Mr. TERRY. Then I have 5 minutes?

Senator MUNDT. Can we hold you to it?

Mr. TERRY. Yes, sir.

Senator MUNDT. All right. If we can hold you to it, go ahead.

The CHAIRMAN. Proceed, and let us have the story.

Mr. TERRY. I will probably have to talk rather rapidly, if I only have 5 minutes.

This, to me, is not funny. It is very serious.

The CHAIRMAN. It is serious with us, too. If we can get the truth, I think it will be serious with you.

Mr. TERRY. I want to give you the truth.

Mr. Shear called me and told me he had a business proposition that he thought I would be interested in. Mr. Shear had been in the past in the habit of loaning people who wanted to buy taverns money. Consequently, if I heard of anybody who was short \$1,000 or so, I would send him to Mr. Shear, and Mr. Shear would loan him the money. We have had business transactions of that nature over a number of years. Mr. Shear also, because of his loans to these taverns, knew that the price of the tavern or his security was dependent as far as what the pinball business would get, due to the fact that we had a council ordinance that was going to prohibit pinball games sooner or later, and it was getting closer and closer to the time that we were going to have to take our pinball games out of the city of Portland. In other words, it was apparent that we couldn't keep fighting these things in the courts forever, or give any types of petitions, to perpetuate pinball business in the city of Portland, even though I think the city of Portland was wrong in passing the ordinance.

During this time, I suggested to Mr. Shear several times that I would be interested in getting in some other type of business. On this particular instance, he called me and said, "I have a good proposition for you."

I said, "Fine; tell me about it." Usually he tells me anything over the telephone that he wants to talk about, and he said this time, "No, I don't want to talk to you over the telephone."

I said, "Fine, I will come and see you, or you come and see me."

"Well, let's have lunch. Set a date for lunch."

We went to lunch, and while eating lunch he told me about the business proposition he had or knew about.

The Flamingo Club of Las Vegas had sold, and the sellers had in their possession, a mortgage that was going to be paid off in a number of years, we will say, 5 years. In Las Vegas, I don't know whether you are familiar or not, everything is done on a share basis. A thousand fellows get together and buy this table in front of you, or the Flamingo Club in this case.

I don't know how many there were, or how much the total mortgage was, except that I do know that Mr. Shear told me that Mr. Caprie had 2 points of Flamingo Club, that that mortgage would pay off \$120,000, we will say, roughly, in 5 years, and that Mr. Caprie wanted to sell that mortgage for a discount.

In other words, I could buy the \$120,000, we will say, for \$80,000 or \$90,000. I think the figure that Mr. Shear told me was \$80,000.

I told Mr. Shear, I said, "Well, to me I don't want to have anything to do with Las Vegas. As far as I am concerned, I don't want any part of Las Vegas. I don't want to make any investments in Las Vegas. I am not interested in Las Vegas."

He said, "You will have no part in Las Vegas. This is a mortgage, a discount mortgage. You can buy that thing for \$80,000, the payoff is \$120,000, and you make yourself \$50,000 in 5 years."

"Mr. Shear, I am not interested in doing that, because I have trouble with the union, I have trouble with my business. I don't know how long I am going to be in business. I don't think I would be interested in it."

He said, "Well, maybe you can get the thing at a better discount. Why don't you go down and see this Caprie," who he told me it was, "and see who you can make a connection with." I said, "No, I am having too much trouble with the union."

"I met a fellow, or Caprie knows a fellow, in Las Vegas, who is a good friend of Brewster's. Maybe Caprie will take you to see this fellow, and you can help out your trouble with the union."

I said, "Well, I am not particularly anxious. I don't have really a problem in the sense of the word. Sooner or later they are going to have to let me in the union, but I would like to get in under the contract I want. And if I can't get under that contract, I will have to take the contract they want to ram down my throat, which I don't like."

We talked some more about it, and he said, "Well, if you ever make a trip down to Las Vegas, see it."

Mr. Dunis, his wife, and I and my wife, went down to Los Angeles. One day while I was in Los Angeles, I went to see Mr. Caprie. I went to Los Angeles in mind of seeing Mr. Caprie, and buying these two points, if I could get them at the right price from Mr. Caprie.

Another reason that I went to Las Vegas, if the opportunity presented itself, was to see Mr. Hy Goldbaum.

I went on the airplane that morning from Los Angeles to Las Vegas. I went to the Flamingo Club and saw Mr. Caprie. I waited for him

for quite a while. Finally he came out to the swimming pool, and acted like he was looking around. I introduced myself and asked if he was Caprie, and he said "Yes."

We talked about the two points of the Flamingo Club, which I was not too interested to buy, but if I could have bought the two points for \$50,000, I would have bought it, if I could have raised the money.

Mr. KENNEDY. For how much?

Mr. TERRY. \$50,000. If I could buy it, I think I would have bought it.

Mr. KENNEDY. How much were they asking?

Mr. TERRY. One hundred and twenty.

Mr. KENNEDY. So you went there and wanted to offer 50, and he was asking 120?

Mr. TERRY. They were asking 80 for it, but it was worth 120. The reason Mr. Caprie wanted to sell the two points of Flamingo Club was that these two points he had were worth \$120,000, but you had to wait 5 years for it, and he had an opportunity, and did have a job, to go into another casino across the street called the Dunes, and if he could get his hand on \$80,000, as I understand it, cash, or money, then he could take that \$80,000 over to the Dunes and invest it.

So he would have \$80,000, or in his particular case, \$120,000 invested in the Dunes, but the investment in the Dunes would do one thing that the Flamingo Club investment wouldn't do. It would earn him an income on the two shares of the Dunes; it would earn him an income.

But on the Flamingo, all he could do was wait for his money. That is the reason he wanted to discount it.

So then we talked and Mr. Caprie took me to lunch in the Flamingo Club, and paid the check, and we went to his house.

The airplane was going to leave at 3 o'clock, and he said, "Come on over and I will introduce you to Mr. Goldbaum. I will show you the motor court," or motor hotel, or apartment house that he had that he was trying to get Mr. Shear to buy up the mortgage on and give him some more money. He wanted to put this hotel or motel into hock with Mr. Shear for additional money. He was trying to get as much money as he could to buy two points in the Dunes.

He took me to the motel, and introduced me to several people, one of whom was Hy Goldbaum.

The CHAIRMAN. I have given you 6 minutes. I want to ask you about Hy Goldbaum. You went there to meet Hy Goldbaum, primarily, did you not?

Mr. TERRY. No, sir.

The CHAIRMAN. Well, you did meet him?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Why did you meet him?

Mr. TERRY. Mr. Caprie took me over and introduced me.

The CHAIRMAN. I know he took you over, but he did not take you over and introduce you without your wanting to go. Why did you want to meet him?

Mr. TERRY. I wanted to talk to him.

The CHAIRMAN. Why?

Mr. TERRY. I didn't go there for the specific purpose of talking to Goldbaum.

The CHAIRMAN. But you still wanted to see Goldbaum?

Mr. TERRY. Yes, sir. I didn't ask Mr. Caprie to take me over and introduce me to him.

The CHAIRMAN. How did he know you wanted to meet him?

Mr. TERRY. Mr. Shear told him.

The CHAIRMAN. Mr. Shear told him you wanted to meet him?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Mr. Shear had already told him so you did not have to tell him. Mr. Shear already apprised Mr. Caprie—Mr. Shear had already advised Mr. Caprie what your interest was in Goldbaum; had he not?

Mr. TERRY. Yes, sir.

The CHAIRMAN. So you did not have to talk it over with Caprie?

Mr. TERRY. No, sir.

The CHAIRMAN. All you wanted to do was get the introduction. You succeeded, you got to Goldbaum.

Mr. TERRY. Yes, sir.

The CHAIRMAN. You started the conversation with him?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Did you tell him your trouble?

Mr. TERRY. As I remember, what I said to Mr. Goldbaum, and I only saw him for about—

The CHAIRMAN. The Chair has indulged you. I want you to answer my question. Did you tell him your troubles?

Mr. TERRY. I told him I didn't have any troubles, particularly.

The CHAIRMAN. You told him you did not have any troubles. He did not have any. What was your conversation about?

Mr. TERRY. Well, sir, when two people are introduced and they start on a subject, they might talk about the weather.

The CHAIRMAN. That is true, when one is not being introduced to talk to another about a certain problem he has. You were introduced to him for a reason. That is why Shear made the arrangements. That is why Caprie took you over and introduced you. What did you talk about?

Mr. TERRY. I said this to Mr. Goldbaum, if you will give me 3 minutes—give me 1 minute—"Mr. Goldbaum, I don't have any particular troubles with the union, I would like to get into the union under my contract, but I think I have got to get into the union under their contract. As far as I am concerned, the union has given me a rough time."

Basically, that is all I said to Mr. Goldbaum.

The CHAIRMAN. He was not interested in that, was he?

Mr. TERRY. He did not tell me whether he was interested in that after I told him that.

The CHAIRMAN. After you told him that, what happened?

Mr. TERRY. After I told him that, I told him that I didn't have any particular problem, but I would like to get into the union with the contract I wanted—

The CHAIRMAN. You do not mean after all you had been through, you told him you had no particular problem, do you? You do not want us to believe that? Let me get down to the truth.

Mr. TERRY. I just told you, I didn't have any particular problem as far as the union was concerned, because I could get into the union.

I could get into the union if I wanted to sign their contract in preference to my own.

The CHAIRMAN. All right. Go ahead.

Mr. TERRY. So he said he would see what he could do.

The CHAIRMAN. Did you tell him that you had been trying to get in, that you had been to Crosby, that you had been to Sweeney, and you had done everything you could to get into the union? Did you not tell him that?

Mr. TERRY. I probably could have told him——

The CHAIRMAN. Did you tell him that one of your places had been picketed and closed down? Did you not tell him that they were threatening to do that to all the other places you had? You told him that story, did you not?

Mr. TERRY. Yes, sir.

The CHAIRMAN. All right. You related your troubles, you unburdened yourself about your problems about the union; did you not?

Mr. TERRY. Yes, sir.

The CHAIRMAN. All right, go from there.

Mr. TERRY. But, I said, sooner or later I could get into the union under their contract. So he said he would see what he could do with Brewster.

The CHAIRMAN. That is what you wanted him to do; was it not? That is what you asked him to do?

Mr. TERRY. Not particularly. I would say this, that if I could prevail upon Mr. Brewster to give me back my previous contract; fine.

The CHAIRMAN. You asked him to make arrangements for you to see Brewster, did you not? Why not just say so? We all know that is what you did, and everybody listening to you knows exactly that is what you did.

Mr. TERRY. I don't know whether I said to him to make arrangements for me to see Brewster or whether he was going to see Brewster himself. I don't know.

The CHAIRMAN. **You were there?**

Mr. TERRY. Yes, I was there.

The CHAIRMAN. Did you see Brewster? Did he make arrangements for you to see him?

Mr. TERRY. I never saw Brewster.

The CHAIRMAN. **Did he make arrangements for you to see Brewster and tell you the time and place to see Brewster?**

Mr. TERRY. He called me on the telephone and told me he had made an appointment with Mr. Brewster.

The CHAIRMAN. Yes. So he was to make an appointment with Brewster for you?

Mr. TERRY. I don't know whether he was or not. He told me he did make an appointment.

The CHAIRMAN. You knew when you left him that that was the purpose, for him to get you in contact with Brewster. That is why you wanted to see him in the first place, was it not?

Mr. TERRY. **No, sir.**

The CHAIRMAN. Why did you see him?

Mr. TERRY. If he was a friend of Brewster, and could get——

The CHAIRMAN. You did not want him to make an appointment with Sweeney for you. You did not want an appointment with

Crosby. You only wanted one appointment, and that was to get to Brewster. Was that not the whole purpose of your seeing him in the first place?

Mr. TERRY. Yes, sir.

The CHAIRMAN. All right.

Proceed, Mr. Counsel.

Mr. KENNEDY. Did you make any arrangements with Mr. Hy Goldbaum as to what you were going to pay him for performing this service?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never discussed that?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never discussed the fact that you would pay him \$7,500?

Mr. TERRY. No, sir.

Mr. KENNEDY. That is, for making this appointment?

Mr. TERRY. No, sir.

Mr. KENNEDY. You deny that there was any discussion of paying him any money for making this appointment?

Mr. TERRY. Yes, sir. And I also want to correct the record here, that as far as I am concerned, I didn't go down there for the specific purpose or anything in mind that Goldbaum would fix up any kind of an arrangement between Brewster and me.

The CHAIRMAN. Go ahead. You said that before.

Mr. KENNEDY. You never discussed this at all, about paying money?

Mr. TERRY. No, sir.

Mr. KENNEDY. Did you ever ultimately go up to Seattle to see Frank Brewster?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never did?

Mr. TERRY. No, sir.

Mr. KENNEDY. Why did you break the appointment?

Mr. TERRY. I didn't have an appointment.

Mr. KENNEDY. I thought you said Hy Goldbaum called you and said he had made an appointment.

Senator MUNDT. You just got through telling us that.

Mr. TERRY. Yes, I did.

Senator MUNDT. All right, when did you see him?

Mr. TERRY. I didn't see him.

Senator MUNDT. Why not?

Mr. TERRY. I didn't try.

Senator MUNDT. Why not? You wanted an appointment, and he made it. Why did you not go see him?

Mr. TERRY. Well, as far as I am concerned, in seeing Mr. Brewster at that time, as far as Goldbaum was concerned, I never felt that Goldbaum ever did anything.

Senator MUNDT. Talking about Goldbaum, Goldbaum got you the appointment with Brewster, the man that could give you the contract. He said, "I got you the appointment." You spent a lot of money going to Las Vegas to keep it. You called him long distance and then you did not keep it.

Mr. TERRY. I didn't call him long distance.

Senator MUNDT. Goldbaum called you long distance and said you had an appointment.

Mr. TERRY. He told me I had an appointment with Brewster.

Senator MUNDT. What did you tell Goldbaum on the phone?

Mr. TERRY. I think I told Goldbaum on the phone I didn't need to see Mr. Brewster.

Senator MUNDT. Why not?

Mr. TERRY. There was no point to see Mr. Brewster.

Senator MUNDT. What is the point of all this business of going to Las Vegas to get things fixed up with Brewster?

Mr. TERRY. I didn't go to Las Vegas to get it fixed up with Brewster. (At this point, Senator McNamara left the room.)

Mr. KENNEDY. You had all of these trips to see John Sweeney, you went to Las Vegas to see Hy Goldbaum to get the appointment with Frank Brewster, Hy Goldbaum makes the appointment with Frank Brewster, and then you never keep it. Is that what you are saying?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Will you tell us why you didn't keep it, after going to all of this effort?

Mr. TERRY. As far as Hy Goldbaum is concerned, I told Mr. Sweeney—now you have me mixed up—I told Mr. Shear I was having trouble with the union. He, in turn, told Caprie I was having trouble with the union.

Mr. KENNEDY. Don't go through all of that again. You have an appointment. Take me from the time that Hy Goldbaum called you and said, "I have done what you asked me to do, I made an appointment with Frank Brewster." Tell me, did you go to Seattle after he called you?

Mr. TERRY. No, sir.

Mr. KENNEDY. Did you go to Seattle after he called you?

Mr. TERRY. It could be; yes, sir.

Mr. KENNEDY. What did you go up for?

Mr. TERRY. To maybe see Mr. Sweeney.

Mr. KENNEDY. Why did you want to see John Sweeney again?

Mr. TERRY. Why not see John Sweeney again?

The CHAIRMAN. You know what you went up there for. Maybe you went for this or maybe you went for that. You got this appointment and you went up there to keep it, did you not?

Mr. TERRY. No, sir.

The CHAIRMAN. Don't you know you did go up there to keep it?

Mr. TERRY. No, sir.

The CHAIRMAN. You say under oath you did not?

Mr. TERRY. To go up and keep an appointment with Mr. Brewster?

The CHAIRMAN. Yes, sir.

Mr. TERRY. Yes, sir; I say under oath I did not go up to keep an appointment.

The CHAIRMAN. Did you tell others you did go to see him up there?

Mr. TERRY. No, sir.

The CHAIRMAN. You say under oath you did not tell others that you did go up there to see Brewster? You swear to that? Don't you know you reported to others that you did go up there to see Brewster after these arrangements were made for you?

Mr. TERRY. Well, sir—

The CHAIRMAN. You are under oath, and you do not have counsel present. I think you have one here somewhere, but he is not present

now. Ordinarily when counsel is present, I assume the fellow has employed a lawyer of his own choice, and he expects a lawyer to take care of him. You do not have counsel present, and I want to warn you now that you are under oath. You have been repeating that. You are conscious of it. I am asking you these questions because I think I know what the answers are. You did go up there to see Brewster, and you came back and told your friends about having gone and told them before you went that you were going to see him. Do you swear under oath that is not true?

Mr. TERRY. Mr. Chairman, I want to say this to you.

The CHAIRMAN. You can answer it yes or no.

Do you say under oath that is not true?

Mr. TERRY. I say under oath that the best as I ever remember I have never said to anybody at any time that I ever made a trip to Seattle, anywhere else, to see Mr. Brewster, or did I ever have any plans to see Mr. Brewster, or did I as far as I am concerned—maybe I shouldn't be talking like this, but what I want to say to you is this, that as I can remember now, and I am under the oath that I am, that I never had any plans or any idea—well, I can't say that either.

The CHAIRMAN. No, I do not think so. You just said you had that thought.

Mr. TERRY. Let's put it this way: I never went to Seattle with the specific purpose of seeing Mr. Frank Brewster.

The CHAIRMAN. Did you go there for the incidental purpose of seeing him?

Mr. TERRY. Well, just a minute, sir.

The CHAIRMAN. You said not for the specific. I asked you did you go for the incidental purpose of seeing him?

Mr. TERRY. There was a time when I was in Brewster's office and I could have seen Mr. Brewster if he had been in.

The CHAIRMAN. All right. Did you go to his office?

Mr. TERRY. Yes, I was in his office.

The CHAIRMAN. That was after Hy Goldbaum had made this appointment for you, was it not?

Mr. TERRY. That I couldn't say for sure.

The CHAIRMAN. You know it was, do you not?

Mr. TERRY. No, I do not.

The CHAIRMAN. You went up there after Goldbaum made the appointment for you?

Mr. TERRY. I don't know if it was after or before, sir.

The CHAIRMAN. What was the date that Goldbaum made the appointment for you?

Mr. TERRY. I don't remember the date.

The CHAIRMAN. What was the date you were in Las Vegas and saw him?

Mr. TERRY. The date that I was in Las Vegas and saw him—well, he has the date.

Mr. KENNEDY. You tell us.

The CHAIRMAN. You tell us. If he cannot; refresh his memory.

Mr. TERRY. Refresh my memory, please.

Mr. KENNEDY. You went from Portland, Stan Terry and company went from Portland to Las Vegas to San Francisco. After you went to Las Vegas and saw Hy Goldbaum, did you come right back to Portland?

Mr. TERRY. No, sir. You just said I went to San Francisco.

Mr. KENNEDY. You have a number of trips here to Las Vegas.

Mr. TERRY. On that particular trip, as I testified before, I went down to Los Angeles, with Lou Dunis and his wife and my wife, and we went back to San Francisco, I guess.

Mr. KENNEDY. That is March 8 that you went to Las Vegas.

Mr. TERRY. March 8.

The CHAIRMAN. March 8?

Mr. TERRY. Yes.

The CHAIRMAN. And you were in Las Vegas then?

Mr. TERRY. Right.

The CHAIRMAN. How soon after did Goldbaum call you and tell you he had the appointment for you?

Mr. KENNEDY. He was also there on March 31. It could be either one of the dates.

Mr. TERRY. I was where March 31?

Mr. KENNEDY. It has a trip here to Las Vegas, March 31; from Los Angeles to Las Vegas. You were in Las Vegas on both of those days.

Mr. TERRY. Let's see. On March 31 you have that I was in Las Vegas?

Mr. KENNEDY. That is the report from the United Airlines.

Mr. TERRY. You have a report that I was in Las Vegas?

Mr. KENNEDY. It says "Stan Terry and company, March 31, Los Angeles to Las Vegas."

Mr. TERRY. March 31?

The CHAIRMAN. And also March 8.

Mr. KENNEDY. It could be either one of those dates.

Mr. TERRY. I was in Los Angeles on March 8?

Mr. KENNEDY. Come on.

The CHAIRMAN. All right. Whether it was March 8 or March 31, how long after you talked to Goldbaum did he call you long distance and tell you that he succeeded in getting the appointment for you?

Mr. TERRY. That I can't remember.

The CHAIRMAN. One day?

Mr. TERRY. It could be 1 day or 1 week.

The CHAIRMAN. It could be 1 day or 1 week?

Mr. TERRY. Yes, sir.

The CHAIRMAN. How soon after you got that call did you go to Seattle and see Brewster and go to his office? How soon after you got that call did you go?

Mr. TERRY. I can't remember that, sir, because when I went to Mr. Brewster's office, I was in the company of two other men, and I went for the specific purpose of seeing John Sweeney.

Mr. KENNEDY. Mr. Chairman, I can verify the date as March 31, 1955.

The CHAIRMAN. March 31.

Senator MUNDT. Who were the two other men that went with you?

Mr. TERRY. Just a minute, Mr. Chairman.

Excuse me?

Senator MUNDT. Who were the two other men who went with you?

Mr. TERRY. Lou Dunis and his partner in Seattle.

Senator MUNDT. They were with you in Mr. Brewster's office?

Mr. TERRY. Yes, sir.

Mr. Chairman, I know this might sound kind of funny, but are you sure that I was in Las Vegas—

Mr. KENNEDY. You tell me what date you were in Las Vegas.

Mr. TERRY. The only thing, Mr. Chairman, is if I was in Las Vegas on March 31, if I was in Las Vegas on March 31, I was already in the union.

The CHAIRMAN. That was after you had gotten in the union?

Mr. TERRY. If it was.

The CHAIRMAN. That is your second trip down there?

Mr. TERRY. Yes, sir.

The CHAIRMAN. What business—

Mr. TERRY. No; I was only in Las Vegas once, sir.

The CHAIRMAN. Only in Las Vegas once?

Mr. KENNEDY. We will have to verify these records. It is sometime in March, though.

The CHAIRMAN. What date did you get into the union?

Mr. TERRY. I don't know what day I got in the union.

Mr. KENNEDY. According to the records, you got into the union on April 11, 1955.

Mr. TERRY. That could be; yes, sir.

Mr. KENNEDY. That would be after the March 31 trip.

The CHAIRMAN. Is that according to the union records?

Mr. KENNEDY. That is according to the time he made his union payment.

That is according to your own records, Mr. Terry, that you got into the union on April 11, 1955.

Mr. TERRY. Mr. Kennedy, do you have there a list? They asked for all of my union books, asked for all of my books, your investigators, and there I gave them the union books of myself. On that book, does it show what date it shows?

Mr. KENNEDY. April 11, 1955.

Mr. TERRY. Then as far as I was concerned, maybe I wasn't in the union at that time.

The CHAIRMAN. Do you know whether you were or not?

Mr. TERRY. On April 11?

The CHAIRMAN. April 11, I believe it is.

Mr. KENNEDY. April 11.

The CHAIRMAN. You said you were in the union on March 31.

Mr. TERRY. Yes, sir.

The CHAIRMAN. Are you sure of that?

Mr. TERRY. No, sir, I am not sure of it.

The CHAIRMAN. You are not sure of it. Do you have your union card?

Mr. TERRY. Have I got my union card?

The CHAIRMAN. Yes.

Mr. TERRY. I don't have a union card.

The CHAIRMAN. Do you have the card that they gave you when you joined the union at that time?

Mr. TERRY. It is a union book, and the union book I gave to him, and the union book is in Portland.

The CHAIRMAN. They gave you a book?

Mr. TERRY. Yes, sir.

The CHAIRMAN. I thought when you joined the union they gave you a card?

Mr. TERRY. They never gave me a card, sir.

The CHAIRMAN. Did you join without getting a card?

Mr. TERRY. I guess I did.

The CHAIRMAN. It seems unusual. I thought they gave a card to every member. Maybe I am wrong.

Mr. TERRY. They certainly didn't give me a card. I don't have a card.

The CHAIRMAN. You don't have a card. You never did get a card, then. What were you paying off for, if you were not a member?

Mr. TERRY. Paying off? I was paying dues.

The CHAIRMAN. I know. You were paying dues and not getting a card, not getting any certificate that you belonged, is that right?

Mr. TERRY. They gave me a little sticker in my union book when I paid my dues.

The CHAIRMAN. That is all you wanted, a sticker in the union book, and that was the whole issue, was it not? You had to get a sticker for your operations?

Mr. TERRY. No, sir.

The CHAIRMAN. Did you get a union card?

Mr. TERRY. No, sir.

The CHAIRMAN. They never did give you a union card? They gave you a card of withdrawal, did they not, prior to that?

Mr. TERRY. They gave me a card of withdrawal, but I don't think they ever gave me a union card.

The CHAIRMAN. Had you had a union card before you had that card of withdrawal?

Mr. TERRY. No, sir.

The CHAIRMAN. You are just one of those members that is associated in a kind of distant fashion and not actually a member of the union, is that it?

Mr. TERRY. Mr. Chairman, let me put it this way: As far as the union is concerned, when I joined the union, Mr. Hildreth come over and said, "Here are some application blanks. Fill them out."

We filled out the application blanks. Then on each man he would say, "Have you ever belonged to a union before?" and if the answer was "Yes" then, "Do you have a withdrawal card?" and if it was "No"—well, those that had not belonged to a union had to pay a \$25 initiation fee. If you had a withdrawal card, you did not have to pay an initiation fee, and in my particular case I said yes. I did have, which they mailed to me.

The CHAIRMAN. When you get in, do you not get a card showing you are a member?

Mr. TERRY. When I got in the union, this was what I got.

The CHAIRMAN. Everybody tells me they are card-carrying members of the union. I may be wrong about it.

Mr. TERRY. Mr. Chairman, I am trying to tell you what I got.

The CHAIRMAN. I did not get it. Go ahead.

Mr. TERRY. You have me confused, sir.

The CHAIRMAN. If you are confused, we will take a recess.

Mr. KENNEDY. Just on the question of Mr. Goldbaum, you said you never paid Mr. Goldbaum anything?

Mr. TERRY. No, sir.

Mr. KENNEDY. Did you ever promise him anything?

Mr. TERRY. No, sir.

Mr. KENNEDY. Why did he perform this service for you?

Mr. TERRY. I don't know why.

Mr. KENNEDY. Was it just because he liked you?

Mr. TERRY. I can't say for sure. I don't know why.

Mr. KENNEDY. You had seen him for 15 minutes, you said, you discussed this matter, and he called to make an appointment with Frank Brewster?

Mr. TERRY. I guess he did, sir.

Mr. KENNEDY. And just because he liked you and you never promised him anything?

Mr. TERRY. I never promised him anything.

Mr. KENNEDY. He never asked for anything.

Mr. TERRY. He never asked for anything.

Mr. KENNEDY. You never had a discussion about any money?

Mr. TERRY. Never had a discussion about any money.

Mr. KENNEDY. Do you know why he complained later on that you had not paid what you owed him?

Mr. TERRY. No, sir. I don't know why he complained later on.

The CHAIRMAN. We will recess until 2 o'clock.

(Thereupon, at 12:20 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Senators present at the taking of the noon recess were Senators McClellan, Mundt, and Goldwater.)

AFTERNOON SESSION

(The hearing resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will be in order.

(Present at the convening of the hearing were Senators McClellan, McNamara, and Goldwater.)

The CHAIRMAN. Mr. Terry, will you come around, please?

TESTIMONY OF STANLEY G. TERRY—Resumed

The CHAIRMAN. Mr. Kennedy, you may proceed.

Mr. KENNEDY. Now, Mr. Terry, you say that Mr. Goldbaum performed this favor for you and there was never any discussion of giving him anything for it?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. Did you ever mention to anyone, to anybody that you had paid him?

Mr. TERRY. Did I ever mention to anyone that I had paid Mr. Goldbaum?

Mr. KENNEDY. Yes.

Mr. TERRY. No, sir.

Mr. KENNEDY. Did you mention prior to meeting Mr. Goldbaum that you would pay him if he could get you in the union?

Mr. TERRY. No, sir.

Mr. KENNEDY. Did you ever mention in your conversation with

Mr. William Caprie that you were going to take care of Hy Goldbaum if he got you in the union?

Mr. TERRY. Did I ever say to Caprie I was going to take care of him?

Mr. KENNEDY. No, did you ever say to Mr. William Caprie that you would take care of Hy Goldbaum if through Brewster he could get you in the union?

Mr. TERRY. No, sir.

Mr. KENNEDY. You never mentioned anything like that?

Mr. TERRY. I never mentioned anything like that to Caprie.

Mr. KENNEDY. Did you discuss this matter with Caprie?

Mr. TERRY. The discussion on that with Mr. Caprie, I was with Mr. Caprie for several hours over at his house and back, and during that time there could have been some discussion about me going over and seeing Mr. Goldbaum. But as to giving Mr. Caprie or anybody else any inference that I was going to take care of or pay Mr. Goldbaum anything, I didn't do it.

Mr. KENNEDY. You never indicated to Caprie that you would take care of Goldbaum if you got into the union?

Mr. TERRY. As far as I am concerned, I never indicated to Mr. Caprie any circumstances.

Mr. KENNEDY. You never discussed that at all?

Mr. TERRY. As far as I can remember I never discussed it at all.

Mr. KENNEDY. Do you think it is possible that you might have discussed it?

Mr. TERRY. I don't think it is possible.

Mr. KENNEDY. Would you deny that you discussed it?

Mr. TERRY. I would say this, and say it again, that I never gave any inference or never discussed anything or never tried to infer to Mr. Caprie under any circumstances that I would give Mr. Goldbaum anything.

Mr. KENNEDY. Now, I want to read this, Mr. Chairman. We have an affidavit here from Mr. William Caprie.

The CHAIRMAN. The affidavit may be read and the witness interrogated about it.

Mr. KENNEDY. I will read the whole thing.

The CHAIRMAN. The affidavit may be printed in the record at this point.

Mr. KENNEDY (reading):

I, William Caprie, a resident of Las Vegas, make this statement voluntarily of my own free will, in the presence of Jerome Adlerman and Alphonse Calabrese, known to me to be investigators for the Senate Select Committee for Improper Activities in Labor or Management Field.

During the early part of 1955, I was desirous of selling a mortgage which I hold or held on the Flamingo Hotel, Las Vegas, Nev. On one of Mr. Ben Shear's trips to Las Vegas I discussed such sale with him, and Mr. Shear stated he thought Stan Terry whom he knew to be a coin-machine operator in Portland might be interested in the purchase of the mortgage.

I do not recall exactly how much time elapsed between my conversation with Mr. Shear, and the time Mr. Stan Terry came to Las Vegas, approximately in the spring of 1955.

During the discussion of the proposed sale, Stan Terry told me he had some trouble with the teamsters union, and that he was desirous of joining the union, but the union officials wouldn't let him. I believe I told Terry that Hy Goldbaum knew Brewster and Terry asked me to intercede for him in an effort to get into the union.

I don't recall whether I telephoned Hy Goldbaum or whether I spoke to him a few days later, but I do recall speaking to him. I told Hy Goldbaum that I knew Stan Terry, who was a coin-machine operator in Portland, and that Terry had trouble with the teamsters union. He wanted to get into the union but they would not let him in. I asked Mr. Goldbaum to call Brewster and to ask Mr. Brewster if he could straighten things out for Terry.

I can't recollect whether Terry was present when I telephoned or spoke to Goldbaum. I can't recall whether I gave Mr. Terry the address and telephone number of Mr. Hy Goldbaum in Los Angeles. I cannot recall whether Terry and Goldbaum met or spoke together before Goldbaum spoke to Brewster. I am sure Goldbaum spoke to Brewster because Goldbaum told me he did.

In answer to the question whether Terry indicated that he would be willing to pay to get into the union, I can only answer that I was under the impression that Terry was going to take care of Goldbaum. I might say that Terry indicated that he would take care of Goldbaum if he could get into the union. I can't recall having any conversation with Terry concerning his willingness to pay union officials to get into the union. The only impression I have of my conversation with Terry is that he indicated that he would take care of Goldbaum for any service he could do for him in getting him into the union.

I recall discussing this matter with Hy Goldbaum on several occasions. The last time was about 6 months ago when the publicity was given to the teamsters situation in Portland. In the course of these conversations Hy Goldman remarked to me that I had "a fine friend" and that Terry had never kept his promise to take care of him.

I have read this statement carefully and state that the contents are true.
Signed, William Caprie.

Witnessed by Jerome Adlerman and Alphonse Calabrese and Mr. Krays, who is his attorney.

Sworn to me before this 21st day of February, 1957, at the Flamingo Hotel, Nev. Francis B. Gordon.

The CHAIRMAN. We will proceed.

Mr. KENNEDY. Was that statement of Mr. Caprie's correct?

Mr. TERRY. Mr. Kennedy, let me say this to you: I am here under oath to tell the truth, and the whole truth. After listening to the letter that you just read to me, I want to repeat to you what I said previously. I at no time indicated or said to Mr. Caprie or gave him any reason so far as I understand that I was going to take care of Mr. Goldbaum, Mr. Caprie, or Mr. Shear, or anyone else.

Mr. KENNEDY. What would be the reason for Mr. William Caprie to make such an affidavit?

Mr. TERRY. What goes on in Mr. Caprie's head is something I can't answer.

Mr. KENNEDY. Now, did you pay \$10,000 to Mr. Frank Brewster, either in San Francisco, Los Angeles, or Seattle?

Mr. TERRY. Mr. Kennedy, I want to say again that I am here under oath and of my own free will I say I did not.

Mr. KENNEDY. Did you ever make a statement to anyone that you had paid Mr. Frank Brewster \$10,000 or a large sum of money?

Mr. TERRY. As near as I can remember, or as near as I can say anything, in other words when you make a statement like that it is broad and general, maybe sometime in jest to somebody else along the line you make some remark that could be construed that way. But here in this committee room I want to say to you that the meaning you give there, I did not.

Mr. KENNEDY. Did you ever make a statement to anyone that you had paid \$10,000 or a large sum of money to Frank Brewster in order to get into the union?

Mr. TERRY. Mr. Kennedy, would you repeat the question again, please?

Mr. KENNEDY. Would the reporter read it back?

(Previous question read by the reporter.)

Mr. TERRY. No, sir.

Mr. KENNEDY. You never did?

Mr. TERRY. No, sir.

Mr. KENNEDY. Why could you not have denied that originally when I asked you the question?

Mr. TERRY. Well, Mr. Kennedy, let us go back. You never asked me the question before.

Mr. KENNEDY. Did you ever have any discussion about paying any sum of money to Frank Brewster in order to get in the union?

Mr. TERRY. As far as I remember I had no discussion.

Mr. KENNEDY. Would you not remember that kind of a discussion?

Mr. TERRY. I think that I would remember that kind of a discussion. As I sit here now before you I have no recollection of such a conversation. I don't think that I made such a conversation.

Mr. KENNEDY. You don't think that you ever had such a conversation?

Mr. TERRY. I don't think so.

Mr. KENNEDY. Is it possible that you would have had such a conversation?

Mr. TERRY. No, it is not possible.

Mr. KENNEDY. So you deny that you had such a conversation.

Mr. TERRY. I don't know what the rules are, or what I might be subject to. I came here with the State advisers telling me that I was in pretty bad trouble, or whatever it happens to be, but I would say this: I am trying to make it clear to you that as far as I remember, I never had any discussion, and I never have made any statement that I ever gave Frank Brewster whatever he said I gave him. What did he say I was supposed to give him? It was \$10,000.

Mr. KENNEDY. Did you ever discuss giving him anything?

Mr. TERRY. As far as I remember, I never discussed giving him anything because I never gave him anything.

Mr. KENNEDY. Do you think it is possible that you did discuss it?

Mr. TERRY. No, sir, I don't think it is possible. It could have happened in a jest like I said before, someone doing this. But anyway as far as I am concerned, my statement is here, and I am trying to make it clear to you that that is the way it is.

Mr. KENNEDY. Did you ever state to anyone that the teamsters union officials would not allow you to join the union unless you put what was equivalent to a teamster union official on your payroll for a year?

Mr. TERRY. Equivalent to putting a teamster union official on my payroll for a year?

Mr. KENNEDY. For a year.

Mr. TERRY. No, I don't think I ever made a statement like that. I don't know where you would get that.

Mr. KENNEDY. Do you deny making that kind of a statement?

Mr. TERRY. About putting the teamsters union on the payroll?

Mr. KENNEDY. A teamster union official on your payroll for a year.

Mr. TERRY. I never made the statement that I had to put a teamster union, nor did I ever tell anyone I had to put a teamster union official on the payroll.

Mr. KENNEDY. Did you ever say you had to pay any teamster union official the equivalent of putting somebody on the payroll for a year?

Mr. TERRY. As far as I can remember, I have never made a statement to anybody that I had to give anything equivalent to putting a teamster union official on the payroll.

Mr. KENNEDY. Do you deny that you ever made that statement?

Mr. TERRY. I thought I just denied it.

Mr. KENNEDY. You said that you couldn't remember having said such a thing. Do you deny having said it?

Mr. TERRY. Yes, I guess as far as I can remember, I deny I made it.

Mr. KENNEDY. Now, Mr. Terry, do you know Mr. Lasko? Mr. A. W. Lasko?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. What is his position?

Mr. TERRY. Mr. Lasko is one of my competitors in Portland, Oreg.

Mr. KENNEDY. In the coin-machine operators?

Mr. TERRY. Yes, sir.

Mr. KENNEDY. We have a 3 or 4 page affidavit here, and could we put this in the record, Mr. Chairman, and I will read the last paragraph, which is pertinent to this particular inquiry.

The CHAIRMAN. It is duly sworn to, is it?

Mr. KENNEDY. Yes, it is sworn to, by R. DeMatt, clerk of the United States district court, by Thara Lund, deputy, 15th day of February.

The CHAIRMAN. It may be printed in the record in full at this point and pertinent parts of it you wish to interrogate the witness on may be read.

(The affidavit referred to follows:)

ROOM 510 UNITED STATES COURTHOUSE,
Portland, Oreg., February 15, 1957.

STATE OF OREGON,
County of Multnomah, ss:

I, Albert W. Lasko, make the following true and voluntary statement to Alphonse Calabrese, who has identified himself to me as a member of the professional staff of the United States Senate Select Committee on Improper Activities in the Labor or Management Field. No offer of promises or any threats have been made to me for making this voluntary statement.

I reside at 9721 Southeast Linwood Avenue, Portland, Ore., and up until the latter part of 1956 was secretary-treasurer of the Coin Machine Men of Oregon, hereinafter referred to as CMMO. The CMMO is a statewide organization, with headquarters in Portland, of pinball and coin-machine operators and distributors.

In the latter part of 1954 the teamsters' union in Portland was making a drive to bring the coin-machine operators and distributors and their employees into the union and in furtherance of this aim they wanted CMMO to sign a contract with Teamsters' Union Local 223, recognizing that local as the bargaining agent for all the employees of the members of CMMO. I, in the company of William Goebel and Harry Arnsberg, both officers in the CMMO, met with Clyde Crosby in the Teamsters Building for the purpose of turning over a proposed contract with the local union. Crosby wanted to look over the proposed contract.

Another meeting of the CMMO was held at a subsequent time, the exact date I do not recall, but know it was prior to the signing of the contract with the union, which was the first part of March 1955. At this meeting, Stan Terry, who had been very active in urging the members to agree to join the union, got up and spoke and stated that Clyde Crosby had gone over the proposed contract and he wanted the bylaws in the contract to be the same as the bylaws in the contract which the teamsters' union had with the pinball machine organization in Seattle, Wash. In addition, Crosby wanted the names of the locations and the number of pinball machines at the locations of each member of the CMMO. This information was to be placed in individually sealed envelopes. Terry had no explanation as to why this was necessary. As far as I know, the membership complied with these requests. Stan Terry and Lou Dunis also

complied, although it was known to the membership that they could not get into the union and the reason for this situation wasn't known.

On the day that the contract was signed, I, in the company of William Goebel, went to Clyde Crosby's office, at which time Goebel and I signed for the CMMO and also turned over to Clyde Crosby the sealed envelopes. Just before I signed the contract I asked Crosby why the bylaws had to be the same as the bylaws in the Seattle contract and he replied that it was for bookkeeping purposes and that it would be easier all around if the conditions of the contracts were the same. I also asked him why the names of the locations and the number of pinball machines in the locations of each coin machine operator was needed, and he stated that they needed this information to determine how many union stickers which were to be placed on the machines would be required. I then told Crosby that I purchased my pinball machines from Lou Dunis, who not only was a coin machine operator, but also a distributor and that if he were not allowed in the union that I might encounter some difficulty from local union 223. I also stated that Stan Terry had instituted legal action with regard to the legalization question of the pinball machines, which was then in question, and that actually he was the "front" for the Coin Machine Men of Oregon in this litigation. Further, if he was not allowed into the union the CMMO might become involved in the legal action, which they did not prefer.

In reply, Crosby told me that Terry and Lou Dunis would come into the union as soon as they got "squared off" with Mr. Sweeney in Seattle, and that Sweeney would let him, Crosby, know when they could come in. I subsequently learned that Stan Terry and Lou Dunis made several trips to Seattle and on 1 occasion Terry and Dunis were made to wait for 4 hours outside of Sweeney's office before he would see them.

During this period that Terry was making contact with Sweeney, Terry told me that they wanted him to pay the salary of a teamsters' union official for 1 year as a consideration for being allowed to join the union. This statement was made to me by Terry in his office or in the office of Lou Dunis with just Terry and myself being present.

This statement consisting of four pages, which has been read by me, is true and correct to the best of my knowledge.

ALBERT W. LASKO.

Signed in the presence of:

ALPHONSE F. CALABRESE.
JEROME L. ADLERMAN.

Sworn to and subscribed before me on the 15th day of February 1957.

R. DEMATT,
Clerk, United States District Court.
By THARA LUND, *Deputy.*

Mr. KENNEDY (reading):

During this period that Terry was making contact with Sweeney, Terry told me that they wanted him to pay the salary of a teamsters' union official for 1 year as a consideration for being allowed to join the union. This statement was made to me by Terry in his office or in the office of Lou Dunis with just Terry and myself being present.

This statement consisting of four pages, which has been read by me, is true and correct to the best of my knowledge.

You never made that statement?

Mr. TERRY. I would say as far as that statement and Mr. Lasko is concerned, I never made that statement to Mr. Lasko, and I don't think that he realizes what he said because he can't even remember which office it is.

The CHAIRMAN. Are there any further questions?

All right, you may stand aside for the present.

Mr. KENNEDY. Mr. Hy Goldbaum is the next witness.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOLDBAUM. I do.

The CHAIRMAN. Be seated. We will proceed.

TESTIMONY OF HY GOLDBAUM

The CHAIRMAN. Will you state your name, your place of residence, and your business or occupation?

Mr. GOLDBAUM. Hy Goldbaum, 13404 Tierra Street, Los Angeles, Calif., and I work for the Flamingo Hotel, in Las Vegas, Nev.

The CHAIRMAN. You are familiar with the rules of the committee with respect to counsel. Do you waive counsel?

Mr. GOLDBAUM. Yes, sir. Just before we go on with this, sir, I have been under a lot of strain and stress for 7 years and I am in a very nervous condition and if you will just take it a little easy I will try to give you the truthful answers to the best of my knowledge.

The CHAIRMAN. We are going to take it easy. Do you want the cameras to desist while you are testifying?

Mr. GOLDBAUM. Take what they want now and get through with it.

The CHAIRMAN. All right, that will be done.

Mr. KENNEDY. Mr. Goldbaum, you work in Las Vegas, do you not?

Mr. GOLDBAUM. I work in Las Vegas, and I go up every Thursday and I leave every Sunday.

Mr. KENNEDY. Where do you live when you are not in Las Vegas?

Mr. GOLDBAUM. 13404 Tierra Street, in Los Angeles. That is a Van Nuys mailing address.

Mr. KENNEDY. You came from where originally, Mr. Goldbaum?

Mr. GOLDBAUM. My original background, you mean?

Mr. KENNEDY. Yes, please.

Mr. GOLDBAUM. I came to Los Angeles in 1924 from San Francisco.

Mr. KENNEDY. You were born in San Francisco?

Mr. GOLDBAUM. I was born in Oceanside, Calif.

Mr. KENNEDY. You came up to Los Angeles?

Mr. GOLDBAUM. I came to Los Angeles and I went to San Francisco.

Mr. KENNEDY. In 1924 you went to San Francisco.

Mr. GOLDBAUM. No, it is so far back, in 1906 or 1907 my folks moved to San Francisco and I stayed there all of that time and then I came to Los Angeles. I left San Francisco and came to Los Angeles in 1924.

Mr. KENNEDY. Did you live in Los Angeles after that?

Mr. GOLDBAUM. I have been in Los Angeles continuously.

Mr. KENNEDY. Since 1924?

Mr. GOLDBAUM. No, I moved to Las Vegas, Nev., in 1948, and I moved up there, I believe.

Mr. KENNEDY. What kind of work did you go into when you got to Los Angeles?

Mr. GOLDBAUM. I have always been in the horse business all of my life, a handicapper of horses around the racetrack.

Mr. KENNEDY. You have been interested in the gambling business?

Mr. GOLDBAUM. In the gambling business; yes, sir.

Mr. KENNEDY. Since 1924 or prior to that time?

Mr. GOLDBAUM. Prior to that time in San Francisco I had a cardroom, and before that, a legalized cardroom.

Mr. KENNEDY. Now, in Los Angeles, did you know Mr. Buggsie Siegal?

Mr. GOLDBAUM. No, sir.

Mr. KENNEDY. You never met him?

Mr. GOLDBAUM. No, sir.

Mr. KENNEDY. Did you have anything to do with the Hollywood Sphinx Club?

Mr. GOLDBAUM. No.

Mr. KENNEDY. Did you know Dave Rubin?

Mr. GOLDBAUM. Dave Rubin, yes; I do.

Mr. KENNEDY. But you never had anything to do with him and the Hollywood Sphinx Club?

Mr. GOLDBAUM. I didn't know he had anything to do with it, and I don't know what it is.

Mr. KENNEDY. Did you know Mickey Cohen?

Mr. GOLDBAUM. I know of him and I have talked to him, but I never had anything to do with him.

Mr. KENNEDY. Did you ever have any book out of the Hotel El Rancho at Las Vegas?

Mr. GOLDBAUM. No, sir.

Just to correct a statement, I had an office at the Flamingo Hotel, if that is what you are interested in finding out.

Mr. KENNEDY. But you never had any kind of book out of there, horse book out of there?

Mr. GOLDBAUM. I had an office in the Flamingo as commissioner.

Mr. KENNEDY. How is that different from what I asked you?

Mr. GOLDBAUM. You asked me about the El Rancho.

Mr. KENNEDY. That is at the Flamingo.

Mr. GOLDBAUM. Yes, sir. I was a betting commissioner.

Mr. KENNEDY. What is a betting commissioner?

Mr. GOLDBAUM. A betting commissioner, Mr. Kennedy, is if you in Washington, D. C., bet me \$1,000 on a horse, I conduct my business like any stockbroker's office. You bet me \$1,000 on a horse, and I sell that business around in Las Vegas, or Los Angeles and maybe I make 2½ or 5 percent on the deal.

Mr. KENNEDY. Somebody who laid off bets?

Mr. GOLDBAUM. I was a commissioner, like if you bought a stock, you pay a commission for it. The man who bought a horse for me, he pays the same thing.

Mr. KENNEDY. When you say "buy a horse," you mean bet a horse?

Mr. GOLDBAUM. Bet on a horse, that's right. Is that what you do from Thursday to Sunday?

Mr. GOLDBAUM. No. The Government passed a law in 1951 and put us out of business when they put in the 10-percent law. Everything you handle now you have to pay 10 percent on.

Mr. KENNEDY. So you don't do that anymore?

Mr. GOLDBAUM. No, sir.

Mr. KENNEDY. What do you do in Las Vegas?

Mr. GOLDBAUM. In Las Vegas during the weekends I work in the pit. The pit is a big gambling casino and I stand around and watch that people don't steal.

Mr. KENNEDY. What do you do from Monday to Thursday?

Mr. GOLDBAUM. I am a collector for the Flamingo Hotel.

Mr. KENNEDY. What is that?

Mr. GOLDBAUM. I correct the bad markers, and collect the markers, and try to run down the bad checks.

Mr. KENNEDY. You do that in Los Angeles?

Mr. GOLDBAUM. I do that in Los Angeles; all over.

Mr. KENNEDY. Then you go back.

Mr. GOLDBAUM. I go every Thursday night to Las Vegas.

Mr. KENNEDY. You know Mr. Frank Brewster, do you not?

Mr. GOLDBAUM. Yes, sir.

Mr. KENNEDY. Were you ever involved in any business with him?

Mr. GOLDBAUM. None whatsoever. My acquaintance with Mr. Brewster was he lived in the same apartment house I did at the Model Chino Apartments, and I moved in there about 1935, I think, and he was there before I was. He used to keep an apartment there, and if he came into town once a month or twice a month, I might see him in the lobby and say "hello" to him, and that is all.

Mr. KENNEDY. Do you know Mr. Caprie? Do you know George Caprie?

Mr. GOLDBAUM. He is my partner.

Mr. KENNEDY. Where did you know Mr. George Caprie?

Mr. GOLDBAUM. I met Mr. George Caprie many years ago, in Los Angeles.

Mr. KENNEDY. And you have been partners?

Mr. GOLDBAUM. For many years.

Mr. KENNEDY. But Mr. Frank Brewster has never been a partner of yours in anything?

Mr. GOLDBAUM. Absolutely not.

Mr. KENNEDY. He never had any interest in any of your businesses?

Mr. GOLDBAUM. Absolutely not.

Mr. KENNEDY. Now, you served some time for income tax violation?

Mr. GOLDBAUM. Yes, sir.

Mr. KENNEDY. When was that?

Mr. GOLDBAUM. I was convicted in 1952 and the Supreme Court ordered me remanded, I think—I surrendered December 6, 1953, and I went to McNeil's Island and I stayed there for 9 months, I believe. After I was there 9 months, one day the warden called me in and he said, "The Supreme Court just handed down a ruling; they made a mistake in your case."

Mr. KENNEDY. So you got out?

Mr. GOLDBAUM. They put us out on \$10,000 bail. I was out 7 or 8 or 9 months and they sent my case back to the ninth circuit in San Francisco, and the ninth circuit ordered me back to the penitentiary, and after I found that out, Mr. Irving Goldstein, who represented me, said, "We can go back to the Supreme Court again on another writ," and so he said, "Dig up more money," and I said, "Well take it back; I don't want to go back up there." After I was in the Supreme Court about 2 weeks, one morning my telephone rang and Mr. Ed O'Connor, one of my original attorneys, said to me, "I was out to dinner with Judge Harrison," the judge we had the case before without any jury, "and he said, 'I am so disgusted the way the Government is handling these defendants, kicking them around; if they will drop all of their appeals and come before me, I will put them on probation.'"

So about 6 weeks later. I pulled a mandate out of the Supreme Court and I came before Judge Harrison, and he put us on probation.

Mr. KENNEDY. And you are still on probation?

Mr. GOLDBAUM. Yes, sir.

Mr. KENNEDY. You have permission to travel?

Mr. GOLDBAUM. To any place.

Mr. KENNEDY. From Los Angeles?

Mr. GOLDBAUM. When I went up to the probation officer, Mr. Devlin, I told him my job, and he said, "That's all right; if you stay away 2 or 3 weeks, let me know, but a couple of days don't mean a thing."

Mr. KENNEDY. Mr. George Caprie was at McNeil Island?

Mr. GOLDBAUM. Yes, sir; he is my partner.

Mr. KENNEDY. And also Mr. Lester Beckman?

Mr. GOLDBAUM. He has nothing to do with me. He was there when I got there.

Mr. KENNEDY. He was there when you got there?

Mr. GOLDBAUM. Yes, sir.

Mr. KENNEDY. You met him at McNeil Island?

Mr. GOLDBAUM. He was my roommate.

Mr. KENNEDY. When the members of the staff of this committee interviewed you, Mr. Goldbaum, you stated that you had not met Mr. Stanley Terry prior to the time he got in the union; is that right?

Mr. GOLDBAUM. There seemed to be a little discrepancy there, Mr. Kennedy.

Mr. KENNEDY. Is that not what you stated to us: That you had not met Stanley Terry prior to the time he got in the union?

Mr. GOLDBAUM. I never knew whether he got in the union until I heard it here today; Mr. Terry testified to that.

Mr. KENNEDY. But you said at the time——

Mr. GOLDBAUM. I believe I might have made that statement.

Mr. KENNEDY. Do you want to correct that?

Mr. GOLDBAUM. I don't know when he got in the union.

Mr. KENNEDY. He got in the union in March of 1954.

Mr. GOLDBAUM. I thought that I met him later, but he testified he was in Las Vegas in March, and so I must have met him then, in March.

Mr. KENNEDY. So you spoke to him prior to the time that he got in the union; is that right?

Mr. GOLDBAUM. When he was in Las Vegas, I talked to him, for the one and only time, and whatever date that was, that is the date I talked to him.

Mr. KENNEDY. He had not gotten into the union at that time and he wanted to talk to you about it?

Mr. GOLDBAUM. I never discussed anything about that.

Mr. KENNEDY. You never discussed about the union?

Mr. GOLDBAUM. No, sir.

Mr. KENNEDY. What did you discuss?

Mr. GOLDBAUM. Nothing; I just said to him, Mr. Bill Caprie introduced me to him and he said, "This is Stan Terry," and I said, "How are you?" and Mr. Caprie and I were going down to bet on a horse, and I don't think he was there 3 minutes.

Mr. KENNEDY. Did you ever have any discussion with Mr. Stan Terry? Is that the only time you ever discussed this?

Mr. GOLDBAUM. That is the only time I ever talked to Mr. Terry.

Mr. KENNEDY. Did you ever discuss Frank Brewster with him?

Mr. GOLDBAUM. No, sir.

Mr. KENNEDY. Did you ever discuss making an appointment with Frank Brewster?

Mr. GOLDBAUM. On the phone I talked to him. I made an appointment for Mr. Terry to the best of my knowledge, I thought it was in January, because I know I believe Mr. Shear was there for New Year's, and Mr. William Caprie asked me, and said, "I want to sell my mortgage to Stan Terry," and I said, "Bill, if I can do you a favor, I'll gladly do it." That is George Caprie's brother.

The CHAIRMAN. Let us get this a little clearer. Now according to Mr. Terry, he saw you sometimes apparently in March, either March 8, or March 31.

Mr. GOLDBAUM. That is what he testified here today.

The CHAIRMAN. That is the time of the flight?

Mr. GOLDBAUM. What is that?

The CHAIRMAN. That is the time of the flight, at least?

Mr. GOLDBAUM. Yes, sir.

The CHAIRMAN. You say at that time, and you heard his testimony, you say he did not request you to make an appointment for him with Frank Brewster?

Mr. GOLDBAUM. To the best of my knowledge I thought I made the appointment for him in January.

The CHAIRMAN. Obviously you are mistaken, I think, from everything we have heard. Whether it was January, March, or April, or whenever it was, when you talked to him, do you say now under oath that he did not request you to help him out with Frank Brewster?

Mr. GOLDBAUM. Yes, sir.

The CHAIRMAN. You say positively?

Mr. GOLDBAUM. Positively I did not discuss it.

The CHAIRMAN. Why did you make an appointment with Frank Brewster for him?

Mr. GOLDBAUM. Mr. William Caprie asked me if I could make an appointment with Mr. Brewster. I remember very distinctly, sir, I happened to be at the racetrack 2 or 3 days later, and I know Santa Anita was running and I know it was in January.

The CHAIRMAN. He had asked you to make an appointment for Terry, a man you did not know?

Mr. GOLDBAUM. Yes, sir.

The CHAIRMAN. All right. When you met Terry, you did not talk about it?

Mr. GOLDBAUM. It didn't amount to anything and I wasn't interested.

The CHAIRMAN. I understand you were not interested. You were just interested enough to call up and make that appointment.

Mr. GOLDBAUM. Certainly.

The CHAIRMAN. But you have not talked about it?

Mr. GOLDBAUM. No, sir.

The CHAIRMAN. Now, do you think anybody is going to believe that? Here is a stranger you never had seen before.

Mr. GOLDBAUM. I did it for Mr. Caprie. And Mr. Caprie had been a friend of mine.

The CHAIRMAN. You did it for Caprie after you had met Stan Terry?

Mr. GOLDBAUM. I did it for Caprie.

The CHAIRMAN. After you met Stan Terry?

Mr. GOLDBAUM. I did it before I met Mr. Terry.

The CHAIRMAN. You mean that you did it before you ever met the man?

Mr. GOLDBAUM. To the best of my knowledge, if I don't move off this chair; yes, sir.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. Did you ever discuss with Mr. Terry about the money he was going to pay you for doing it?

Mr. GOLDBAUM. There was no money ever discussed anyway.

Mr. KENNEDY. Did you ever complain about the fact that you had not received any?

Mr. GOLDBAUM. I might have in a kidding way said, "He is a fine guy; never even took care of me for doing him a favor."

Mr. KENNEDY. You might have said something like that?

Mr. GOLDBAUM. I might have said to that effect, and I pop off a lot.

Mr. KENNEDY. This is Mr. William Caprie's affidavit that is in the record.

Mr. GOLDBAUM. I have got the affidavit in my pocket, and I have read it.

I recall discussing this matter with Hy Goldbaum on several occasions, and the last time was 6 months ago, when the publicity was given to the teamster situation in Portland. And in the course of these conversations Hy Goldbaum remarked to me that I had a fine friend, and that Terry had never kept his promise to take care of me.

I don't know what arrangement he had, but he never made any promise to me, and I never discussed it with him.

The CHAIRMAN. He said here you discussed it with him several times in his affidavit.

Mr. GOLDBAUM. Who?

Mr. KENNEDY. Mr. William Caprie.

Mr. GOLDBAUM. That was the impression he got, and I believe the word "impression" is in there.

The CHAIRMAN. He said "I recall discussing this matter with Hy Goldbaum on several occasions."

Mr. GOLDBAUM. That is "recall." He had the impression.

The CHAIRMAN. You are putting the "impression" in here.

Mr. GOLDBAUM. I thought that I read it that way, and I could be wrong.

The CHAIRMAN. Do you have another one? There has been some change going on according to some testimony this morning, and let us see if yours is changed.

Mr. GOLDBAUM. On what page are you reading?

The CHAIRMAN. I am reading the last paragraph of the affidavit, the original.

Mr. GOLDBAUM (reading):

I recall discussing the matter with Hy Goldbaum on several occasions.

The CHAIRMAN. A little louder.

Mr. GOLDBAUM (reading):

I recall discussing the matter with Hy Goldbaum on several occasions and the last time about 6 months ago, when the publicity was given to the teamsters union situation in Portland.

I don't remember discussing that with him.

The CHAIRMAN. Is that true or not true, that you did discuss it with him on several occasions?

Mr. GOLDBAUM. I discussed what?

The CHAIRMAN. What he is talking about.

Mr. GOLDBAUM. I don't know what he is talking about. I don't remember discussing this.

The CHAIRMAN. How long have you had that copy of the affidavit?

Mr. GOLDBAUM. I got it when I went up there last Thursday, and he gave it to me to read.

The CHAIRMAN. You have had over a week, have you not, to read it?

Mr. GOLDBAUM. Yes, sir; and I still can't make any sense out of it.

The CHAIRMAN. You can't make any sense out of it?

Mr. GOLDBAUM. No.

The CHAIRMAN. It is pretty plain what he is talking about there; isn't it?

Mr. GOLDBAUM. I discuss a lot of things, but it didn't mean a darn thing to me.

The CHAIRMAN. It didn't mean anything, only you had not been taken care of?

Mr. GOLDBAUM. I wasn't expecting anything, literally.

The CHAIRMAN. You just had done something for a stranger and you did not expect anything at all?

Mr. GOLDBAUM. I have been crazy all of my life and I guess I'll keep on being so.

The CHAIRMAN. I am not sure, and I am not going to argue the point with you at least, if you want to leave that in the record.

Mr. GOLDBAUM. The warden told me once, he said, "You must be crazy, a man like you, to come up here and sing and kid all the time," and I said, "What's the use; I am not going to let it worry me."

The CHAIRMAN. You don't worry about those things?

Mr. GOLDBAUM. I worry, but I have had so much——

The CHAIRMAN. Now let us go down to facts.

Mr. GOLDBAUM. All right.

The CHAIRMAN. Do you want to state under oath that you did not have these conversations with your friend?

Mr. GOLDBAUM. I might have discussed it, but there was nothing about it.

The CHAIRMAN. Why would you be discussing it over and over again, as he said?

Mr. GOLDBAUM. We were just talking in a general line of conversation.

The CHAIRMAN. It must have been on your mind.

Mr. GOLDBAUM. Nothing was on my mind, and I never asked about it again.

The CHAIRMAN. You never asked about it again?

Mr. GOLDBAUM. This is 6 months ago, isn't it?

The CHAIRMAN. He says, "On several occasions, and the last time about 6 months ago."

Mr. GOLDBAUM. I never thought of discussing it with him because I wasn't interested.

The CHAIRMAN. One of you is not telling the truth. Do you want to say that your friend who has given this affidavit is not telling the truth?

Mr. GOLDBAUM. He might be telling the truth, and——

The CHAIRMAN. Well, you would know.

Mr. GOLDBAUM. I don't know.

The CHAIRMAN. I am asking you now whether that affidavit is true or not.

Mr. GOLDBAUM. If he said it is true, it must be true, but I do not remember discussing anything about it.

The CHAIRMAN. Then it is true. Then it was on your mind that you kept talking to your friend about it, who had introduced him to you?

Mr. GOLDBAUM. I never discussed anything on my mind that I remember, and what he talked about, I don't know.

The CHAIRMAN. He said you were doing the talking.

Mr. GOLDBAUM. I never did it.

The CHAIRMAN. You ought to know what you are talking about.

Mr. GOLDBAUM. I talk with him about a lot of things.

The CHAIRMAN. I am sure that you do, and I am quite confident that you talked to him about this. Aren't you?

Mr. GOLDBAUM. I can't say that I did or I didn't.

The CHAIRMAN. I see. Well it is a strange thing that you would be talking to him about it if you just simply did it as a courtesy or a favor for a friend, or a stranger or somebody you had never seen, and then it preyed on your mind afterwards, and I cannot understand that.

Mr. GOLDBAUM. I do a million favors for people and it never preys on my mind, and I have done it all of my life.

The CHAIRMAN. I have no doubt but, apparently, in this case it did prey on your mind and you kept talking about it.

Mr. GOLDBAUM. There was nothing to prey on my mind about it.

Mr. KENNEDY. Let me see if I can refresh your recollection a little more. You know Mr. Lester Beckman?

Mr. GOLDBAUM. I told you, "yes."

Mr. KENNEDY. And you knew him up in McNeil Island?

Mr. GOLDBAUM. Yes, sir.

Mr. KENNEDY. We have an affidavit here from Mr. Lester Beckman, signed the 13th day of February, before R. DeMatt, clerk of the United States district court, by Thara Lund, deputy.

Could I read that in?

The CHAIRMAN. You may read it.

Senator Mundt will act as chairman for a few minutes.

Mr. KENNEDY (reading) :

I, Lester T. Beckman, make this statement of my own free will without promise of any favor or promise of immunity, in the presence of Jerome L. Adlerman and Alphonse Calabrese, assistant counsel to the United States Senate committee which is known to me to be investigating improper activities in labor or management fields.

I, Lester T. Beckman, 827 S. W. 13th Avenue, Portland, Oreg., while serving a sentence for income-tax violation at the Federal reformatory at McNeil Island, State of Washington, from approximately 1952 to August of 1954, met Hy Goldbaum, of Los Angeles, Calif., and Las Vegas, Nev., and George Caprie, of Las Vegas, Nev.

Upon my release I returned to my home in Portland. In February of 1955, the exact date I do not recall, I made a business trip to Los Angeles, and upon my return to Portland drove through Las Vegas to attend the marriage of a friend, Leo Ross. I stayed overnight at the Sahara. While in Las Vegas I met George Caprie and Hy Goldbaum. Hy Goldbaum at this time asked me if

I knew Stan Terry. I told him that I did. He then said he had done Terry a big favor with the teamsters' union. Goldbaum complained that Terry had not kept his promise to pay him. Although Hy Goldbaum did not explain what the nature of the favor was, I had knowledge, primarily through the newspapers, that Terry was in trouble with the teamsters' union and that he wanted to get straightened out. I do not recall any particular sum of money being mentioned by Goldbaum, but from his statement that he had done Terry a big favor I surmised that there was a big sum involved.

Goldbaum once told me that he had done Frank Brewster a big favor, the details of which he never explained. I do not recall when this conversation took place, and it may have been when we were in the penitentiary together.

In February of 1956 I made another business trip to Los Angeles and on my way home to Portland drove through Palm Springs, Calif., and then on to Las Vegas, Nev., where I stayed for 1 night. I cannot recall talking to Hy Goldbaum at all on this trip or during 1956 at any time.

This statement, consisting of two pages, which has been read by me, is true and correct to the best of my knowledge.

(Signed) LESTER T. BECKMAN.

Mr. KENNEDY. Does that refresh your recollection?

Mr. GOLDBAUM. Yes: it does. When Mr. Beckman was in Las Vegas, he was betting on the horses and everything, and I said, "Do you know Stan Terry?" and he said, "Yes." And I said "What is he doing?" and he said, "He is doing good." And I said, "A fine fellow: I did him a favor and he never said thank you or send me anything."

Mr. KENNEDY. He said he didn't keep his promise to pay you. Is Mr. William Caprie a good friend of yours?

Mr. GOLDBAUM. Yes, sir.

Mr. KENNEDY. And Mr. Lester Beckman is a good friend of yours, and both say that you said that Terry had promised to pay you.

Mr. GOLDBAUM. He had not promised because I never discussed it with him.

Mr. KENNEDY. Why would they say that; these good friends of yours?

Mr. GOLDBAUM. I don't know; I absolutely don't know: and I never discussed 5 cents with Terry.

Mr. KENNEDY. Both of these statements are sworn to, and they have no reason to lie to the committee.

Mr. GOLDBAUM. I don't think that they meant to lie, but I have never discussed it with him.

Mr. KENNEDY. Wasn't the figure of \$7,500 discussed?

Mr. GOLDBAUM. I might have said I did him a favor, and it is worth \$7,500, and I may have made that remark. As I told you, I pop off a lot.

Mr. KENNEDY. Did you not in fact mention \$7,500?

Mr. GOLDBAUM. I might have said he couldn't have bought this favor for \$7,500.

Mr. KENNEDY. But you think you might now have discussed \$7,500?

Mr. GOLDBAUM. If any \$7,500 was ever mentioned, this was the way I worded it: "He could not have bought this favor for \$7,500." I might have said \$7,500, and I might have said \$10,000.

Mr. KENNEDY. Did you ever say he could not have bought this favor for \$7,500?

Mr. GOLDBAUM. I could have made that remark.

Mr. KENNEDY. Why? Was it that big a favor that you did for Stan Terry?

Mr. GOLDBAUM. Well, I never knew until later I never did him anything.

Mr. KENNEDY. Why were you discussing the big favor you did him?

Mr. GOLDBAUM. I had thought he had kept the appointment with Mr. Brewster and I found out that he never did.

Mr. KENNEDY. So you thought you had done him a big favor?

Mr. GOLDBAUM. At that time I thought I had done him a favor.

Mr. KENNEDY. When he got in the union?

Mr. GOLDBAUM. To my knowledge, I thought that my talking to Mr. Brewster had made the appointment and he got in the union through that way; if he got in.

Mr. KENNEDY. You know that he got in the union and you have been told that?

Mr. GOLDBAUM. I heard it here and I have never asked anybody since. Unions are nothing to me. I have never belonged to a union in my life.

Mr. KENNEDY. Did you ever arrange for anybody else in Portland to get in touch with Frank Brewster?

Mr. GOLDBAUM. Yes.

Mr. KENNEDY. What else did you do?

Mr. GOLDBAUM. What do you mean, what else?

Mr. KENNEDY. What were the circumstances surrounding that?

Mr. GOLDBAUM. You want the whole story?

Mr. KENNEDY. Go ahead.

Mr. GOLDBAUM. Mr. Lester Beckman called Las Vegas to Mr. George Caprie and he said, "I believe Mr. Elkins is going to open a night club and he had some union trouble. Maybe if you straighten him out you might have a piece of it for free."

It sounded good to me and I was willing to make a dollar for free. I don't know whether Mr. Beckman called me or I called him and I said, "Les, what is it?" and he said, "Mr. Elkins has some trouble with the union." And I said, "I don't know if I can get any more favors from Frank or not."

So anyway he said, "Why don't you come up and look it over?". So I said, "Well, why not have Mr. Elkins down here to see me? I don't want to come up there."

I don't know, I think Mr. Elkins called me or Mr. Beckman. Anyway I made arrangements to go to Portland, and I said, "If I come up there will they pay my expenses?" He said, "Yes." So I made arrangements to go to Portland.

I thought before it was Mr. Beckman, but after thinking it over I think Mr. Elkins met me and I described myself and he introduced himself to me, and I said, "Could you get me a room?" And he said, "I have a room for you at the New Heathman Hotel."

So we went up there and I said, "What's your trouble?" He said, "There is a local squabble here or something, you know." And I said, "Well, I don't know whether I can get an appointment with Mr. Brewster." And so he said, "Well, I will call you the next day," and he gave me \$200 for my expenses that night, and I remember that.

He gave me \$200 and he said, "Here's your expense money for being up here." The next day I think Lester Beckman came to see me and I said, "I don't know this Fred, Mr. Elkins." Les said, "He is a nice fellow and he is the same as I am," and I said, "That's good enough for me and you have always had a good reputation with me."

The following afternoon, I believe, I called Mr. Brewster's office in Seattle and he was in and so I said, "Frank, I'm in Portland. A fellow is going to open a club here and I have a chance to get a piece of it for free," and I said, "Can you see him and talk to him?"

He said, "Well, come up tomorrow." So at that time we went, and I think that Mr. Elkins called me at the hotel and I told him the appointment was for 11 tomorrow. So then we went to Seattle.

Mr. KENNEDY. Did you go with him?

Mr. GOLDBAUM. He sent a man at 6:30 in the morning and he took me away out to his house to pick him up and he sent some other man, a boy or something, that drove for him, I believe.

So he drove me up and we went to Seattle and we were late and it was raining very hard and snowing and we had trouble. So we got to Seattle and we went over to, I believe the Turf Club, and I knew a fellow there and we had lunch.

I called Mr. Brewster and we made an appointment and I believe it was for 1:30. We got to Mr. Brewster's office and we sat in the outer office. It was the first time I had ever been there.

So we got inside and I introduced Mr. Elkins to him and before I knew it they are in the damndest squabble I ever heard in my life. He accused him of doing such terrible things down in Portland, I was so embarrassed I wanted to crawl under the carpet and I didn't know what it was all about. I was so embarrassed.

So anyway, I saw they were both getting hot and Mr. Brewster was getting very mad and Mr. Elkins tried to explain his side of the story which I knew nothing about and I wasn't interested in.

But I said to Mr. Elkins, "You had better step out a few minutes." So he stepped out and I said to Frank, "I am sorry that I put you in this predicament, and I didn't know anything about whether you knew Elkins or ever saw him before in your life."

So I said, "I'm real sorry because I wouldn't have come under any circumstances if I thought this was going to take place. I was just trying to take a free ride."

Now, that is the whole story.

Mr. KENNEDY. Did Elkins go back in?

Mr. GOLDBAUM. No, sir.

Mr. KENNEDY. That was the end of it?

Mr. GOLDBAUM. Yes, Mr. Elkins and I came out to the airport and I couldn't get a reservation. I believe he called somebody in Portland and got me a reservation and I went to Los Angeles and Elkins went back to Portland.

Mr. KENNEDY. Did you ever get any piece of a joint then in Portland?

Mr. GOLDBAUM. I never got anything and I never talked to them again.

Mr. KENNEDY. That was the end of it?

Mr. GOLDBAUM. I wanted to cool Mr. Elkins off and I said, "I don't want any part of this proposition, or anything like this." I said, "I don't know what it is, these arguments." And they started to tell me about the local politics in Portland which I was not interested in at all.

Mr. KENNEDY. How come you were able to make these appointments with Frank Brewster and nobody else could.

Mr. GOLDBAUM. Well, I'll tell you about Mr. Brewster. As I told you, I met Mr. Brewster around 1940 and he came and I lived in the Monticello Apartments. I never had been to dinner with him and I never had a drink with him, but he owned horses and I was a handicapper of horses. He used to respect my opinion around the racetrack. Every time I went to the racetrack he was there and I sat and talked to him about horses and different things in general.

He respected my opinion and I used to dig up tips and I was a pretty good fellow to hustle around the racetrack and I used to go and dig up tips. If I gave him a winner, I would be very happy, the same as I would give it to you if I saw you at the race track.

That has been my whole trouble. I can't keep my big mouth shut around the racetrack.

The CHAIRMAN. Has your judgment been borne out or has it become impaired? I do not want any bad tips.

Mr. GOLDBAUM. I always did pretty good around the race track.

The CHAIRMAN. Proceed.

Are there any further questions?

Senator MUNDT. What did Brewster say to you after you saw him, following the exodus of Mr. Elkins?

Mr. GOLDBAUM. I never discussed it again with Mr. Brewster.

Senator MUNDT. You told Brewster in the office you were sorry you brought this fellow in?

Mr. GOLDBAUM. He said, "Do you know this fellow planted some tape recordings or something in Portland"? And I said, "I never knew anything about it." And that was what they were arguing about and I said, "I am the most surprised man in the world."

Senator MUNDT. They were arguing about the tape recordings?

Mr. GOLDBAUM. Yes, sir.

Senator MUNDT. Did you know he had those tape recordings?

Mr. GOLDBAUM. Mr. Brewster said, to the best of my knowledge, "I don't believe in these kind of things," and I made a remark. One remark he made, he said, "I never got my job where I am today double-crossing anybody."

Senator MUNDT. So you apologized to Mr. Brewster?

Mr. GOLDBAUM. I apologized to Brewster for making this appointment.

Senator MUNDT. What did he say to you then? Did he accept the apology?

Mr. GOLDBAUM. He just said it was one of those things and it is nothing particular and I said, "Well, I'll see you at the racetrack," and I walked out. I don't think I was there more than 3 or 4 minutes.

Senator MUNDT. This big squabble that they were having was about recordings that had been taken?

Mr. GOLDBAUM. Something about recordings.

Senator MUNDT. Did you hear Brewster say anything about any cement boots?

Mr. GOLDBAUM. Who? About what?

Senator MUNDT. Cement shoes.

Mr. GOLDBAUM. No, sir.

Senator MUNDT. Now, going back to the appointment that you set up between Mr. Terry and Mr. Brewster, did you do that by telephone call to Mr. Brewster?

Mr. GOLDBAUM. No, I ran into Mr. Brewster at the racetrack and it was Santa Anita and that is why I think Mr. Terry was wrong in his assumption of the dates. Because I know it was during the racing of Santa Anita and Santa Anita was in January, I think, that has been my big argument.

Senator MUNDT. You feel then it was in January that you ran into Mr. Brewster?

Mr. GOLDBAUM. I ran into Mr. Brewster at the racetrack and I told him.

Senator MUNDT. What did you tell him?

Mr. GOLDBAUM. I told him, I said, "Listen, Bill Caprie has a mortgage and he is trying to sell it to, I understand Mr. Terry who is in some trouble with the union." I said to him, "If you could do him a favor, Frank, I would appreciate it."

Senator MUNDT. Why would you appreciate it?

Mr. GOLDBAUM. Because Mr. Caprie has been my lifelong friend.

Senator MUNDT. You were doing the favor for Terry.

Mr. GOLDBAUM. I was doing it for Caprie and I didn't do it for Terry, and how could I do a favor for Terry? I was trying to help Mr. Caprie sell his mortgage.

Senator MUNDT. You are telling us then, that you set up the appointment in January.

Mr. GOLDBAUM. To the best of my knowledge.

Senator MUNDT. Two months before you ever met Mr. Terry.

Mr. GOLDBAUM. Yes.

Senator MUNDT. Did you set up a specific appointment at the racetrack?

Mr. GOLDBAUM. Mr. Brewster said he would be back in Seattle, I believe, he said next week and he said, "Have Mr. Terry get in touch with me." I didn't have Mr. Terry's number and I think that he called me. I believe Mr. Caprie gave him my phone number.

Senator MUNDT. What did you tell Terry in that conversation?

Mr. GOLDBAUM. I said, "I talked to Mr. Brewster at the racetrack and he will give you a hearing."

Senator MUNDT. Now, when you met Mr. Terry, through the instrumentality of Mr. Caprie, did you say to Mr. Terry, "You are the man for whom I made the appointment"?

Mr. GOLDBAUM. No. I was too busy worrying about betting on a horse that day and we were just getting up.

Senator MUNDT. Mr. Terry said you talked to him for 15 minutes.

Mr. GOLDBAUM. I don't believe so. I have to differ with him.

Senator MUNDT. Was Mr. Caprie present during the conversation?

Mr. GOLDBAUM. I asked Mr. George Caprie about it and he said, "We weren't there 2 minutes because we were going up to the corner to bet on a horse."

Senator MUNDT. That did not answer the question. Was Mr. Caprie present?

Mr. GOLDBAUM. Mr. William Caprie was present and Mr. George Caprie. We lived in this apartment. Mr. George Caprie and I share this apartment there when I am in Las Vegas.

Senator MUNDT. He is the brother of the other one?

Mr. GOLDBAUM. William Caprie.

Senator MUNDT. How did George Caprie happen to take you to Terry?

Mr. GOLDBAUM. I can't hear you.

Senator MUNDT. Why did George take you in and introduce you instead of William?

Mr. GOLDBAUM. William introduced me and George had never met him before either, he told me.

Senator MUNDT. William took you and George both?

Mr. GOLDBAUM. William brought him over there.

Senator MUNDT. William heard the whole conversation?

Mr. GOLDBAUM. To the best of my knowledge, yes, sir.

Senator MUNDT. You are now telling us that we can corroborate what you are telling us either by Mr. Terry, who apparently does not cooperate very well, or by either one of the Caprie brothers, both of whom were in the room all of the time that you had this conversation.

Mr. GOLDBAUM. Yes, sir.

Senator MUNDT. You are sure of that?

Mr. GOLDBAUM. Positively.

Senator MUNDT. You are sure we do not have to subpoena Mr. Caprie and then have him say he wasn't in there?

Mr. GOLDBAUM. He will say we walked through there.

Senator MUNDT. Both of them heard the full conversation?

Mr. GOLDBAUM. I am quite sure it was. I came out of the bedroom, it was a two-bedroom apartment.

Senator MUNDT. This is your apartment?

Mr. GOLDBAUM. No. Mr. George Caprie lives there all of the time and I share it with him when I am in Las Vegas.

Senator MUNDT. It is where you stay and it is Mr. George Caprie's apartment?

Mr. GOLDBAUM. Yes, sir.

Senator MUNDT. And Mr. William Caprie brought in Mr. Terry and introduced both of you?

Mr. GOLDBAUM. Yes, sir.

Senator MUNDT. And they both were there during the entire conversation?

Mr. GOLDBAUM. Positively.

The CHAIRMAN. Are there any further questions?

All right, you may stand aside for the present.

Mr. Terry, will you come back a moment?

TESTIMONY OF STANLEY G. TERRY—Resumed

The CHAIRMAN. You have heard the statement of Hy Goldbaum, and do you want to make any corrections in it?

Mr. TERRY. I would like to make one clarification. I think maybe Mr. Goldbaum and I in our testimony—he said that I thought that I called him, but I am sure that I didn't call him. I think that he called me. But I think that we have both testified to the fact that there was a telephone call and he had set up an appointment with Mr. Brewster that I didn't keep.

The CHAIRMAN. We recognize that.

Mr. TERRY. Then, I also want to clarify one other thing, too, that I think this appointment that was set up with Mr. Brewster was set up without my ever knowing it due to the fact I talked to Shear about these two points in the Flamingo Club and I think Mr. Caprie in an

effort to try to square things away as far as the union was concerned spoke to Mr. Goldbaum and Mr. Goldbaum did what I think he did here.

But as far as I am concerned, I never kept an appointment with Mr. Brewster and that is that.

The CHAIRMAN. That appointment was set up for you after you met Goldbaum, was it not? That is what you testified this morning. It was 2 days after you got back. You could not say whether it was 1 day or a week after you got back that he called you and said he had made the appointment. That is what you testified to this morning.

Mr. TERRY. Do you have that in the record this morning?

The CHAIRMAN. Yes, sir, it is in the record.

Mr. TERRY. Then, let me say this for the record, as far as what I said this morning, it is this: I went to Las Vegas to see about two points of the Flamingo Club.

The CHAIRMAN. I understand; you said that this morning, and I asked you this question. You also said that you got the appointment after you saw Mr. Hy Goldbaum, that he called you afterward and told you about it.

I asked you whether it was the next day or when, and you said you did not know whether it was 1 day or a week afterward.

Mr. TERRY. All right, then——

The CHAIRMAN. Now, then, do you say it was before, he called you before you ever met him and told you he had an appointment for you or was it afterward, after you met him?

Mr. TERRY. Mr. Chairman, I tried to straighten that out when I gave you the testimony before. I asked Mr. Kennedy about the date I was in Las Vegas.

The CHAIRMAN. I do not care whether it was January or December. That is not the point. The point is, was it after you had met him that he called you and told you that he had made the appointment for you? It does not matter what the date is.

Mr. TERRY. No, sir.

The CHAIRMAN. You said this morning that it was.

Mr. TERRY. If I said it this morning, I said I was not sure.

The CHAIRMAN. No, I asked you if it was the next day and you said you did not know whether it was the next day or a week afterward.

Mr. TERRY. Yes, sir, but I said this morning I wasn't sure of the dates.

The CHAIRMAN. I do not care what the date was. It does not matter whether it is December or January or June. The question is, was it after you met him that you got the appointment and did he call you and tell you he had the appointment for you?

Mr. TERRY. Mr. Chairman, let me say this to you, that as far as I am concerned my meeting with Goldbaum and what he did for me, didn't matter. Goldbaum was a friend of Brewster as far as Mr. Shear told me, and what Mr. Shear or Mr. Caprie and the rest of them, whether this was called to Goldbaum—when I met him, as I testified before, there was nothing. It was just a meeting.

The CHAIRMAN. There was enough so that he placed a long distance call for you at some time to call you up and tell you that he had gotten an appointment for you with Mr. Brewster and it amounted to that much to him.

Mr. TERRY. That's right.

The CHAIRMAN. And you are a stranger to him and you had never met him but one time.

Mr. TERRY. That's right.

The CHAIRMAN. Now, maybe you had not met him. He said he had not even met you and I want to know whether he had met you or whether he called you after you had met him or before. I knew what you said this morning.

Mr. TERRY. What is the question, now, please?

Senator MUNDT. Here is a question he can answer. At the time Goldbaum telephoned you—he said he telephoned you and not that you telephoned him.

Mr. TERRY. That's right.

Senator MUNDT. At the time he telephoned you, had you met him before that phone call?

Mr. TERRY. No.

Senator MUNDT. You had not met him. You are telling us you got a phone call from a stranger by the name of Goldbaum, saying he has an appointment with Brewster and that you had not met Brewster at that time. That is what you want us to believe?

Mr. TERRY. That is the part I am confused about.

Senator MUNDT. Now, you can get confused about this. When you got the phone call from Goldbaum, you know whether you had ever met him or not and we want to know.

Mr. TERRY. Let me put it this way—

Senator MUNDT. Just answer that question.

Mr. TERRY. I will answer the question.

Senator MUNDT. At the time you got the call from Mr. Goldbaum, had you met the man who phoned you or had you not met him. That is what we want to know. Forget all the calendar dates or anything else. You have told us that you got a phone call from Goldbaum and you know whether you had met him before that phone call or not.

Mr. TERRY. In order to put it in a few words—

Senator MUNDT. Just tell us in one word. You met him before you got the phone call or not, yes or no, and then you can make your explanation.

Mr. TERRY. I am not sure.

Senator MUNDT. It will make a lot of difference. If a man calls you up that you haven't met, the whole tone of your telephone call will be different. So you do know him or if you get a telephone call from somebody you have not met, you are going to have to find something out about him. And if you have met him, that is a different set of circumstances.

You would know whether you had met him or not when he called you.

Mr. TERRY. I have to say I am not sure whether he telephoned before I met him or after I met him.

Senator MUNDT. You do not want to tell the committee, in other words.

Mr. TERRY. Yes, I want to tell the committee.

Senator McCARTHY. Mr. Terry, I am personally not impressed by this at all. You certainly knew whether you had met this man or not before he phoned you or whether he was a complete stranger. You

cannot expect any average individual to believe that you do not know now whether you got a call from a complete stranger or someone you knew.

Mr. TERRY. Senator, sir, if you will give me 2 minutes, I can say why I can say I am not sure.

Senator McCARTHY. You can make it three.

Mr. TERRY. Thank you, sir.

Senator McCARTHY. I might say I will be glad to give you the 2 minutes or 3 minutes and I am sure the Chair will. but you must know whether you got a call from a complete stranger or whether it was someone that you knew.

Mr. TERRY. Yes, sir, I can explain that, sir.

Senator McCARTHY. All right.

Mr. TERRY. Mr. Shear had talked to me about Mr. Goldbaum and when Mr. Shear called me it was previous to the time I went down to Las Vegas and because of the conversation I had with Mr. Shear, Mr. Goldbaum could call me and say, "This is Mr. Goldbaum, Hy Goldbaum, that Mr. Shear talked about and I have set up an appointment for you with Mr. Brewster."

Now, that could be before I met Mr. Goldbaum or it could be after I met Mr. Goldbaum, but I would say that I am almost sure it was before I met Mr. Goldbaum. But to say unequivocally that it was, I can't.

But I will say that this is the best of my recollection the telephone call that Mr. Goldbaum gave me was before I met him.

Senator MUNDT. Now, you are changing your whole story from this morning, Mr. Terry. You told us this morning that it was not this respectable banker, Mr. Shear, of Portland, who put you in touch with the notorious gambler by the name of Goldbaum, but that Mr. Shear, of Portland, put you in touch with a fellow by the name of Caprie who put you in touch with Goldbaum.

You have got to have one story and stick to it.

Mr. TERRY. Mr. Chairman, I don't have a story to stick to. I am only trying to tell you the truth.

The CHAIRMAN. Then your truth ought to be more consistent than that.

Mr. TERRY. I tried to make it clear this morning that Mr. Shear called me up about two points of the Flamingo Club previously.

The CHAIRMAN. We know all about that, and he told you about Goldbaum.

Mr. TERRY. Yes, sir.

The CHAIRMAN. And he told you that he had a friend by the name of Caprie in Las Vegas who was a friend of Goldbaum who could put you in touch with Goldbaum. And Goldbaum could put you in touch with Brewster and we know all of that and my memory is good on that.

Mr. TERRY. That's right.

The CHAIRMAN. We want you to straighten this out. You tell us now that Mr. Shear got in touch with Mr. Goldbaum, and that Mr. Goldbaum then called you and told you he had an appointment with Mr. Brewster, which refutes everything you said this morning about your going down to talk to Mr. Caprie and that Mr. Caprie, through Mr. Goldbaum, made the appointment with Brewster.

Mr. TERRY. What Shear, what Caprie, and what Goldbaum did, I don't know. But as far as I am concerned with Shear, Shear said he knew Goldbaum, and that he would talk to Caprie about Goldbaum, about what-you-may-call-it, about Mr. Brewster.

Senator MUNDT. Mr. Shear told the committee's investigator he did not even know Mr. Goldbaum.

Mr. TERRY. Mr. Shear told the investigator he didn't know Mr. Goldbaum? Then I say this to you, sir, and I will say again, that I am under oath in this committee chamber, and Mr. Shear could not say that. Mr. Shear told me that.

Senator MUNDT. He told you he knew Mr. Goldbaum; is that right?

Mr. TERRY. Well, sir, yes; he told me that.

Senator MUNDT. He told you that, told you that he knew Mr. Goldbaum? Mr. Shear told you he knew Mr. Goldbaum? Is that what you are now telling us?

Mr. TERRY. I am telling you. I just told you that this morning, that Mr. Shear said he met a Mr. Goldbaum down there who knew Mr. Brewster.

Senator MUNDT. That is still a mystery.

Let me ask you this question: Did you get your telephone call from Mr. Goldbaum before or after you met Mr. Caprie?

Mr. TERRY. That I am not even sure of, either.

Senator MUNDT. You do not know that one?

Mr. TERRY. Let me put it this way: If I got the telephone call from Mr. Goldbaum, then it was the same time that Mr. Caprie, because I met Mr. Caprie and Mr. Goldbaum the same time, whatever time that was. Whether the telephone call fits in previously, I don't know. But I would say this, as I think about it: I got the telephone call before I saw Mr. Goldbaum and before I saw Mr. Caprie.

Senator MUNDT. Did you get the telephone call in January, as Mr. Goldbaum says you did?

Mr. TERRY. I would assume it was in January, or sometime previous, previous to the time I was in Las Vegas. In other words, as far as this trip with Mr. Goldbaum and Mr. Shear, I went to Las Vegas on the two points, and to try to reconstruct the telephone call with Brewster—I mean with Goldbaum—

Senator MUNDT. Let me reconstruct your story of this morning, your recital of the facts as you gave them to us this morning. You said you had two reasons for going to Las Vegas. One had to do with the two points and the Flamingo Casino. The other one was that you said if you had a chance to meet Mr. Goldbaum down there, that would be all right, too, that you had that in mind and you might get a chance to see him, because you would like to meet him on account of what Mr. Shear told you.

We will find that in the record of what you said this morning.

What conceivable reason would you have for wanting to meet Mr. Goldbaum in Las Vegas 2 months after he set up an appointment with Mr. Brewster, which you declined to keep?

Mr. TERRY. What reason?

Senator MUNDT. Yes. Were you going to pay him off?

Mr. TERRY. If he had made a telephone call to me previously that he had set up an appointment with Mr. Brewster, maybe that was it, or to tell Mr. Goldbaum that as far as I was concerned, there was no particular dealing with the union, or trouble with the union.

Senator McCARTHY. Mr. Terry, I am rather curious about some aspects of this situation. No. 1, you knew Elkins right well; did you not?

Mr. TERRY. As far as Elkins is concerned, I am in this position with Elkins. Elkins has been in Portland a long time, and as far as Mr. Elkins—

Senator McCARTHY. Have you known Elkins rather well?

Mr. TERRY. No, sir.

Senator McCARTHY. How well have you known him?

Mr. TERRY. How well have I known him? I have known him well enough to do business with, pass the time away with, talk to him, knew who he was, knew what his reputation was. I guess you would say, "Yes; I knew him pretty well."

Senator McCARTHY. Thank you.

By doing business, the only type of business Elkins was in was head of the underworld syndicate; right? So when you were doing business, you were doing business that had something to do with the underworld?

Mr. TERRY. Well, I would say this, Senator—

Senator McCARTHY. I wonder if the photographer could move his head a little bit so I can see the witness.

Mr. TERRY. Maybe we can dispense with the photographers a little bit.

I would say this, Mr. Senator: Though I knew Elkins and was friendly with him, and knew about his business, whatever business Mr. Elkins was in, and whatever business I was in, I wanted to keep them as far apart as possible.

Senator McCARTHY. You said you did business with him.

Mr. TERRY. Yes; I did.

Senator McCARTHY. The only business he was in was head of the underworld in Portland. So when you did business with him, it had to do with that?

Mr. TERRY. No, sir. The business I did with him, I leased a pinball route from him with an option to buy it.

Senator McCARTHY. Am I correct in this, that there was a great amount of animosity between Elkins and the Brewster elements in the teamster union?

Mr. TERRY. I thought as far as I was concerned—Elkins was one of the first fellows in the teamsters union. I thought they were getting along swell.

Senator McCARTHY. Elkins was not in the teamsters union: was he?

Mr. TERRY. That I don't know, sir.

Senator McCARTHY. Did you ever ask?

Mr. TERRY. Mr. Senator, Mr. Sweeney came to me and tried to get me into the union. One of the things he told me about was that if I would join the union that I could put my pinball machines in the labor temple.

Senator McCARTHY. Try and stick to the question.

Mr. TERRY. All right.

Senator McCARTHY. See if I am correct in this: Elkins may have joined the teamsters when he wanted to get the label for his pinball machines. Before that he had no connection with the teamsters.

Mr. TERRY. I don't know when he joined the teamsters union, but I assume that he joined the teamsters union when he put his machines in the labor temple.

Senator McCARTHY. The labor temple had many more elements than the teamsters; right?

Mr. TERRY. Yes.

Senator McCARTHY. Just tell us the truth in this. Was there or was there not animosity between Elkins and the Brewster elements?

Mr. TERRY. Well, sir, to the best of my knowledge, I don't know.

Senator McCARTHY. You do not know?

Mr. TERRY. No, sir.

Senator McCARTHY. You have no knowledge whatsoever?

Mr. TERRY. I have no knowledge whatsoever until I read the newspapers that there was.

Senator McCARTHY. I am rather curious. Elkins has come here and has testified against Brewster—and I hold no brief for Brewster, I know nothing about him except what I have heard here—and Elkins certainly has gone all out to cut his throat. I just wonder what the picture was back there. Was there animosity between the two of them? Is there some reason for this?

Mr. TERRY. Mr. Senator, could I have five minutes to explain what I know about the whole thing? If you will indulge with me, when the teamsters union came around—

Senator McCARTHY. As many minutes as you want, I would say.

Mr. TERRY. Thank you, sir.

When Mr. Sweeney came to my office in 1953 and wanted to organize my employees and the other men in the coin machine business, he gave many reasons for it. One of the reasons that later on he proposed to not only me but to several members of the Coin Machine Men of Oregon was this, that if you would join the teamsters union you could put your machines into the labor temple.

The labor temple happened to be a very good location, from the standpoint there was a lot of men there, from the standpoint you could make good returns upon your machines being in there, it had a reputation in the past, before they took the machines out, of making a lot of money. It was a piece of bait that they gave everyone.

Myself and several other competitors in the city of Portland said this: As far as joining the teamsters union or any union, it is a different issue. As far as putting the machines in the labor temple, it is an issue. We will go before the committee—

Senator McCARTHY. I do not want to cut your 5 minutes short.

Mr. TERRY. I will just take 3 minutes, or just this time.

So a number of the competitors, including myself, went before the committee, and one of the requisites there was that you had to join the union.

So then the company that got to put the machines in the labor temple was the Service Machine Co., and so I assume they joined the union at that time.

Senator McCARTHY. Actually, and I am trying to evaluate the testimony of Elkins and what Brewster will testify to when he comes, was Elkins not denied the union label, and that label given to someone else?

Mr. TERRY. Well, sir—

Senator McCARTHY. And was there not great animosity between the two groups?

Mr. TERRY. No, sir. As far as I am concerned, Service Machine Co., whether it is Mr. Elkins himself or his employees or anything, was one of the first people who ever got into the union.

Senator McCARTHY. You mentioned Las Vegas. There is a man out there by the name of Greenscum or Greenspun who has quite a record, a criminal record, under indictment at the present time, who was denied a license to practice law, until Marcantonio, who was a name in the Communist Party, took him under his wing. He was given a license then. Tell us what the tie-up is between Greenscum and Elkins or Brewster.

Mr. TERRY. Sir, I don't know. I don't know Greenspun from a bale of hay.

Senator McCARTHY. You mean you were in Las Vegas doing business with the gambling elements and did not know Greenscum?

Mr. TERRY. I never did any business in Las Vegas.

Senator McCARTHY. Your sworn testimony is you do not know him?

Mr. TERRY. Yes, sir.

Senator McCARTHY. As far as you know, he has taken no part in this fight between Brewster and Elkins?

Mr. TERRY. I don't know anything about him or anything until you mentioned his name. I don't even know—I never heard of such a fellow.

Senator McCARTHY. Take a bit of time on this, will you?

Is it your testimony that as of this moment you know nothing whatsoever about any part that Greenspun has taken in the fight between Elkins and Brewster?

Mr. TERRY. I will take all the time that I can. I want to assure you of this, that I am here under oath. Mr. Greenspun means nothing to me. I never heard of him. I don't know anything about him.

Senator McCARTHY. I did not ask you that question, what he means to you.

Mr. TERRY. Well, I don't know him, then.

Senator McCARTHY. Do you mean to say that you have been working on the west coast and you are not aware of the fact that there was a fight between this man Greenspun and Brewster?

Mr. TERRY. Mr. Senator, I just answered that.

Senator McCARTHY. The reason I am asking that is that I want to evaluate the testimony of Elkins and Brewster and you and the rest of those who appear.

Mr. TERRY. Yes, sir.

Senator McCARTHY. The information that I have is that there was a very well known fight between the teamsters and this man who calls himself Greenspun.

Do you mean you know nothing about that?

Mr. TERRY. I know nothing about that whatsoever.

Senator McCARTHY. What business did you have in Las Vegas?

Mr. TERRY. I wish Mr. Kennedy wouldn't laugh.

Senator McCARTHY. Pardon?

Mr. TERRY. I wish Mr. Kennedy wouldn't laugh, because I spent almost an hour telling them about my business I had out there.

Senator McCARTHY. This is rather important, and we can spend another hour.

Mr. TERRY. Yes, sir.

Senator McCARTHY. I am curious about this.

MR. TERRY. Senator, as I said this morning, and I will not be able to say it word for word, but my business in Las Vegas, and the only business that I ever had in Las Vegas, and the only time, as far as Las Vegas is concerned, that I have ever been there, except for maybe putting my money in the slot machine, was the time that Mr. Shear called me sometime in 1954, and told me that there were 2 points of the Flamingo Hotel for sale, and that I could buy that 2 points of Flamingo Hotel, which has a value, we will say, roughly of \$120,000, and he thought I could buy it for maybe \$80,000. I told him that I was not interested in any business in Las Vegas. As far as I was concerned, I was near to the point of going out of business, as far as the coin machines and pinballs were concerned, and I didn't want to have any part as far as Las Vegas is concerned.

Senator McCARTHY. Who else would have been the coowners of the Flamingo?

MR. TERRY. The coowners of the Flamingo I don't know. Everything, as I understand it in the Flamingo, is bought on a cooperative deal, they have 2 points of this, 5 points of that. But Mr. Caprie had 2 points of the Flamingo Club, which had sold—in other words, the owners, as he was, along with some other owners, had sold the Flamingo Club.

Caprie had two points. Caprie wanted to sell these 2 points which had a mortgage that would pay out \$120,000. The only thing bad about it was that you had to wait 5 years, we will say, to get your \$120,000. Mr. Caprie did not want to wait 5 years. He wanted to convert his \$120,000 mortgage into some money so he could go over to the Dunes and thereby purchase some points in the Dunes, because the points in the Dunes had this feature that the points in the Flamingo did not have; the points in the Dunes could make him money.

Senator McCARTHY. All right. I just have one more question.

May I say, Mr. Chairman, that I am very much concerned about this because of the reports I have received, the reports that this is a fight between the Brewster element and some other element. I do not have any idea as to whether Brewster is honest or a crook or what he is; I have never met him; I have never had any contact with him.

I am just curious to know, Mr. Terry, how you could be out on the west coast involved with Elkins and others—

MR. TERRY. With the—

Senator McCARTHY. Let me finish. And then you tell us that you do not know whether or not there was a personal feud between these two elements. If there was such a feud, it will place a different light upon this testimony.

MR. TERRY. Senator, sir, I did not know of any feud between Elkins and any members of the teamsters' union until Mr. Elkins called me one day and said he wanted to see me. So Mr. Elkins called me and said he wanted to see me.

So he came down—I don't know whether he asked me to come to his office or someplace; anyway, I saw him somewhere—and he said to me, "How did you get straightened around with the teamsters union?"

I said, "I got straightened around with the teamsters union because 35 or 40 of us fellows, after we put them on notice that we were ready and willing to join the teamsters' union and we tried to get a contract that we wanted and couldn't get it, we finally had a meeting on March

10, and we all signed a petition that said this, 'we, the undersigned, are ready and willing to join the teamsters union.' We took the thing over to the teamsters building, as a committee, and gave it to them. That is how I got into the teamsters union." I explained that to Mr. Elkins.

Senator McCARTHY. You still have not answered my question.

Mr. TERRY. Then I will answer it.

Senator McCARTHY. May I say I have the utmost respect for our chief counsel. I am sure he has gone into this in detail. But I personally would like to know from you, and I am sure you know—I am sure you know the answer—whether or not there is a personal feud between the Brewster elements and the Elkins elements, because we must have the answer to that to evaluate the testimony.

Mr. TERRY. Mr. Senator, if that is important to you, if you will give me 3 minutes, then I think I will answer your question for you.

Senator McCARTHY. Good.

Mr. TERRY. So then Mr. Elkins asked me how I settled my difference with the union, and I told him how I settled the difference with the union.

Then he said to me, "Well, I am having a tough time with them."

I said, "You are having a tough time with them? I thought you belonged to them."

He said, "Sure I belong to them, but what they want to do, they want to take part of my"—I think he used the word "gaffs" or something, and I said, "Well, I just can't believe it."

He said, "Well, it is true." He said, "They want to take half of my gaffs in town, and they want me to do this, and do that, and I am not going to go for it."

I said, "Mr. Elkins, I don't believe that is true." I said, "As far as I am concerned, I think that if Mr. Brewster, Mr. Beck, or those people knew that somebody here was trying to put some pressure on you to talk half of this kind of business, I don't think it is true, because I feel this way, that Mr. Brewster and Mr. Beck wouldn't stoop to that kind of thing."

He said, "I am telling you they are."

So we talked some more, and I said to Mr. Elkins, "I know a fellow, I heard of a fellow, by the name of Goldbaum, who is a good friend of Lester Beckman, and as far as Goldbaum is concerned he has never done anything for me, but I understand that Lester Beckman and Goldbaum were, shall we say, in the service of their country together, or a prisoner, whatever it is."

Senator McCARTHY. Can I get back to the question now?

Mr. TERRY. Just let me go on for a minute, Senator.

Senator McCARTHY. I am sorry. I thought you finished.

Mr. TERRY. No; let me go on.

I said, "He should know this Goldbaum pretty well."

I didn't know him and I didn't know how well Mr. Shear knew him.

I said, Why don't you call Les, because I have been told that Mr. Goldbaum can see Mr. Brewster, and go up and see Mr. Brewster. I don't think Mr. Brewster would go for this kind of thing."

And so Elkins said, "All right, I will do it."

Senator McCARTHY. Go for what kind of thing?

MR. TERRY. Well, the teamsters' union wanting to put their hands in half of Mr. Elkins graft or whatever he was doing. I don't know what he was doing.

Senator McCARTHY. In other words, you did not think Brewster would go for infiltration of the teamsters by the hoodlum elements; is that it?

MR. TERRY. Well, as far as I am concerned, I don't know anything about Brewster or what he stands for or the men.

Senator McCARTHY. You just said you did not think Mr. Brewster would go for this sort of thing.

MR. TERRY. Yes, because he is the head——

Senator McCARTHY. By "thing," what do you mean? Do you mean the infiltration of the teamsters by the hoodlum elements?

MR. TERRY. No, I mean this, that I did not believe, and I still do not believe, that Mr. Beck or Mr. Brewster, the head of the teamsters union, would have any truck with a fellow like Elkins to try to get into the rackets of Portland, because there were hardly any rackets of Portland going, that I know of, except what Mr. Elkins had.

Senator McCARTHY. Let me ask you one final question. Do you not know, as a matter of fact, Mr. Terry, that Greenspun and Elkins—pardon me, Greenspun and Elkins were trying to get the hoodlum elements into position of power in the union, the teamsters union? I believe Mr. Brewster controls roughly 11 Western States. Do you not know that they were trying to do that, and that Mr. Brewster was opposing it, and that that is where the fight has originated?

Am I right or wrong on that? If I am wrong, I would like to know it.

MR. TERRY. Senator, as far as I am concerned, I don't know anything about Mr. Greenspun, Mr. Brewster, or Mr. Elkins. I know nothing about that.

Senator McCARTHY. I do not want to prolong this thing indefinitely, Mr. Chairman.

You said that you were doing business with Mr. Elkins. Now you say you know nothing about him. If you were doing business, you were doing business in underworld racketeering businesses, is that not right?

MR. TERRY. Well, Senator, could I read back the transcript? I didn't say—I said I didn't know anything about Mr. Brewster, Mr. Greenspun, or Mr. Elkins.

Senator McCARTHY. Did you ever do any business with Mr. Elkins?

MR. TERRY. Yes, sir, with Mr. Elkins. I bought a pinball route from him.

Senator McCARTHY. And beyond that, did you have any business with him?

MR. TERRY. Well, beyond that, it would be, outside of discussion, maybe, political arrangements or whatever it happened to be, but as far as he is concerned, Mr. Elkins——

Senator McCARTHY. Let us stop there. Political arrangements? What?

MR. TERRY. Mr. Elkins and I lived in the same town together and I would see him maybe five times a year.

Senator McCARTHY. You said you discussed political arrangements. It so happens the district attorney has been indicted in Portland. I

just wonder, in view of that, what political arrangements you discussed.

MR. TERRY. If I met him, I would see Mr. Elkins or he would call me and tell me he is supporting somebody, or whatever it happened to be, and that is all I know about him.

Senator McCARTHY. Did not you and Elkins actually have an agreement that you would support people for public office who would condone the use of illegal devices, such as pinball machines, punchboards, on down the line? Is that not actually the picture?

MR. TERRY. Mr. Chairman, as I sit here—

Senator McCARTHY. Thanks for the promotion.

MR. TERRY. I would say this in the face of God, I have no such arrangements, no such understandings, or the slightest arrangements, or even think about such a thing with Mr. Elkins.

Senator McCARTHY. What were the political conversations or agreements that you made with Mr. Elkins?

MR. TERRY. Outside of the fact of just maybe talking to him and seeing what he was going to do as far as politically, or whatever it was, because he was supposed to be a big man in town, contributing to campaigns, and did this and did that. All I wanted to do was—if I did, I don't even think I did that.

Senator McCARTHY. Even did what?

MR. TERRY. Nothing. Just talk to him.

Senator McCARTHY. Did you go along in support of any of the candidates that Elkins was supporting?

MR. TERRY. I don't know what candidates, when you speak about candidates, what specific candidates you are talking about.

Senator McCARTHY. I am not speaking of any specific candidates. You and I both know that with the vice king, and that is his title, that it is important to him to have the right officials elected.

I ask you the very simple question, Did you go along with him in any of those elections?

MR. TERRY. No, sir.

Senator McCARTHY. Under no circumstances?

MR. TERRY. Under no circumstances, except these, that if he happened to be—well, let's put it this way. In John McCourt's campaign, he claimed that he helped John McCourt. As far as I am concerned, I don't know whether he did. But as far as John McCourt, who is district attorney, he happened to be a friend of mine. I supported John McCourt.

Senator McCARTHY. You supported the district attorney that the head of the vice syndicate was supporting. Now about members of the city council? Did you support any of those that Elkins was supporting?

MR. TERRY. I don't know who Elkins was supporting, but as far as members of the city council—

Senator McCARTHY. How about the president of the city council?

MR. TERRY. The mayor of the city council?

Senator McCARTHY. The mayor. I believe that is the title.

MR. TERRY. They call him a mayor, sir.

Senator McCARTHY. All right; call him the mayor or the president. Did you support the same man that Elkins was supporting?

MR. TERRY. I don't know whether he supported him. But I certainly supported him.

Senator McCARTHY. You did not discuss that with Elkins?

Mr. TERRY. No, sir.

Senator McCARTHY. Then just as one final question: You know—Senator Mundt says that is the third final question.

As the third final question, did you, before you heard the testimony of Elkins, know of any contacts between those who were trying to infiltrate the teamsters with the hoodlum element, and those who opposed?

Mr. TERRY. I know of one incidence, I don't know whether you call it hoodlum elements or not, but as far as I am concerned, when John McCourt ran against Mr. Langley, I was 100 percent in support of Mr. McCourt.

Senator McCARTHY. No further questions, Mr. Chairman.

The CHAIRMAN. You were given your discharge from the union on the 30th of November 1954? That is when your card expired; is that correct? It was mailed to you with a letter of November 22, 1954?

Mr. TERRY. Should I keep those dates? I wondered if you were going to ask me questions.

The CHAIRMAN. You got back into the union on the 11th of April: is that correct?

Mr. TERRY. I am not sure about the date when I got back into the union.

The CHAIRMAN. I think that is what the record shows. That is the approximate date?

Mr. TERRY. Well, the approximate date; yes, sir.

The CHAIRMAN. If you had not gotten back in March, you did get back in then?

Mr. TERRY. Well, for all practical purposes, as far as I am concerned, sir, when the 25 or 30 fellows including myself signed this affidavit that we were ready and willing to join the teamsters union, and for whatever terms they wanted to make, bring the terms over—we are ready to join the teamsters union—from that time on I felt I was as good as in the teamsters union. When the physical part of going into the teamsters union happened, it could have been the latter part of March, the first of April, or whatever time it happens to be.

The CHAIRMAN. What is the date of that petition you signed?

Mr. TERRY. The date of that petition is around March 10.

The CHAIRMAN. Around March 10?

Mr. TERRY. Yes, sir.

The CHAIRMAN. So it may have been March 10?

Mr. TERRY. Well, a few days, one way or the other, sir.

The CHAIRMAN. All during that time you were out of the union?

Mr. TERRY. All during that time I was out of the union.

The CHAIRMAN. And when you got back in, did you get back in the time you went up to Seattle to see Mr. Brewster?

Mr. TERRY. No, sir.

The CHAIRMAN. Were you already back in?

Mr. TERRY. I didn't say—pardon me?

The CHAIRMAN. Were you already back in when you went up there?

Mr. TERRY. When I went up to see Mr. Brewster?

The CHAIRMAN. Yes.

Mr. TERRY. I never did see Mr. Brewster.

The CHAIRMAN. Did you go to his office?

Mr. TERRY. Yes, I went to his office.

The CHAIRMAN. What is the date of that?

Mr. TERRY. I don't know.

The CHAIRMAN. About when?

Mr. TERRY. I would say that would be sometime in February.

The CHAIRMAN. You were not back in at the time you made that visit?

Mr. TERRY. No, sir.

The CHAIRMAN. So you did go up to his office?

Mr. TERRY. Yes, sir, I was in his office.

The CHAIRMAN. You say you did not see him?

Mr. TERRY. No, sir.

The CHAIRMAN. Who did you see?

Mr. TERRY. John Sweeney.

The CHAIRMAN. You talked to John Sweeney?

Mr. TERRY. Yes, sir.

The CHAIRMAN. John Sweeney was there?

Mr. TERRY. Yes, sir.

The CHAIRMAN. He is the man who had been keeping you out of the union?

Mr. TERRY. He was the head man and I wasn't in the union.

The CHAIRMAN. He is the man who kept you out? He is the one you tried to talk to?

Mr. TERRY. I would say yes, he is the man that kept me out.

The CHAIRMAN. All right. So it was after that trip that you got into the union?

Mr. TERRY. Yes; it was after the trip when I signed the petition.

The CHAIRMAN. Did you tell anyone after you got back from that trip or have you told anyone subsequent to that time how much you had to pay to get back into the union?

Mr. TERRY. I never told anybody—

The CHAIRMAN. I am asking. Have you told anybody how much you had to pay?

Mr. TERRY. No.

The CHAIRMAN. This is the last question, and be certain about the answer. Did you tell anyone that you had to pay \$10,000 or a large sum of money after you made that trip up there?

Mr. TERRY. No, sir.

The CHAIRMAN. You are positive about that?

Mr. TERRY. Yes, sir; because it is not true. I didn't.

The CHAIRMAN. So you got back in without paying anything, according to your testimony?

Mr. TERRY. Yes, sir.

The CHAIRMAN. Then if you made these statements, were you telling the truth when you made them? If you made such statements to others, that it did cost you to get back in, and that you had to pay money, \$10,000, or a large sum of money, were you telling the truth when you made those statements?

Mr. TERRY. No, sir. I would be lying, because I didn't do it.

The CHAIRMAN. You would be lying.

Did you go around lying about it? Well, you know.

Mr. TERRY. No, sir. It seems kind of silly.

The CHAIRMAN. You are positive you made no such statements?

Mr. TERRY. I am positive.

The CHAIRMAN. You are positive about it.

Are there any further questions?

Senator McCARTHY. I have another final question.

At the time you signed the petition to get back in the union, what was your occupation?

Mr. TERRY. I was a pinball operator, sir, amusement game operator, for a bit of a promotion.

Senator McCARTHY. Do you know of any reason why a pinball operator would be eligible to join the teamsters union?

Mr. TERRY. That was one question I asked Mr. Sweeney, why would he want the pinball operators, as such, including my employees, who are electricians, in a sense of the word they are electricians, why I should join the teamsters union.

He said, "We have jurisdiction." I asked, "Why do you have jurisdiction?" And he answered, and it seemed kind of funny to me for an answer, he said, "Because you drive from one location to the other."

Senator McCARTHY. Did you ever pay Sweeney one penny to help you get back in the union?

Mr. TERRY. Mr. Senator, I will say this, that as far as paying him one penny—I wouldn't want to misconstrue it. If you want to take my testimony, it says this, I did not give Mr. Sweeney anything to get back into the union. Or one penny.

Senator McCARTHY. Did you ever pay him as much as one penny to get into the teamsters?

Mr. TERRY. No, sir.

Senator McCARTHY. Did you give him anything of any value?

Mr. TERRY. I may have bought him a cup of coffee, or lunch.

Senator McCARTHY. Outside of a cup of coffee or lunch, nothing of any value?

Mr. TERRY. Nothing.

Senator McCARTHY. Did you give anyone, or promise anyone, a cut on the pinball operation?

Mr. TERRY. No, sir.

Senator McCARTHY. Who was to get the take from the pinball machines?

Mr. TERRY. Well, if they are my pinballs, I was going to have the take.

Senator McCARTHY. The pinball operation netted around how much? How many million a year in Portland?

Mr. TERRY. I don't know about million. I know what mine did.

Senator McCARTHY. No, the entire operation.

Mr. TERRY. I would only be guessing, sir.

Senator McCARTHY. Who besides yourself had the sticker, the union sticker?

Mr. TERRY. We all had the union sticker after we got in.

Senator McCARTHY. You all did?

Mr. TERRY. Everyone that wanted to get in.

Senator McCARTHY. There were some 22 pinball operators. Do you mean they all could get in?

Mr. TERRY. No. I see what you are getting at.

There was a time in the city of Portland that there were some members in the pinball business who had union stickers, but the majority of them did not have. When we signed the petition to go over there and

say we are ready and willing to join the teamsters union, and give us whatever contract they wanted to give us, we don't care, we are ready and willing, then the majority of the people in Portland were in the union.

Previous to that time there was just a small group that was in.

Senator McCARTHY. There were some twenty-odd pinball operators, is that right?

Mr. TERRY. The total runs around or close to 50, I think, sir.

Senator McCARTHY. Close to 50.

How many got the union sticker?

Mr. TERRY. After we signed the petition, sir?

Senator McCARTHY. At any time.

Mr. TERRY. At one time there were about three that had union stickers that I knew of.

Senator McCARTHY. You said at one time. Later, how many?

Mr. TERRY. They all had, as far as I know.

Senator McCARTHY. Was that after the pinball machines were outlawed, that they all got the sticker?

Mr. TERRY. The pinball machine was in the process of being outlawed since 1951. They finally took the games down in May of 1956.

Senator McCARTHY. Mr. Terry, you understand my questions very well. The story we get is that certain pinball operators, 1 or 2 or 3, had a monopoly, and the teamsters would not deliver material to places that had machines that did not have the sticker.

You say originally three had it. You say later practically all of them could get them.

Mr. TERRY. Right.

Senator McCARTHY. Is it not true that it was only after they were outlawed that practically all of them could get the stickers?

Mr. TERRY. No, sir.

Senator McCARTHY. It was not?

Mr. TERRY. No, sir.

Senator McCARTHY. Can you estimate how many?

Mr. TERRY. How many got the stickers?

Senator McCARTHY. Before they were outlawed.

Mr. TERRY. Yes. On March 10, or very close to there, 1955, pinball games were running, and at that time, shortly after that, all of the operators in the city got the stickers. There was some question as to when pinball machines were going down in the future. In other words, there was a little doubt that they were going down in the future.

But they did not go out of the city until May of 1956.

Senator McCARTHY. Again a final question, Mr. Chairman.

On March 10, 1955, the machinery was in motion to outlaw them, was it not?

Mr. TERRY. The machinery had been in motion for 5 years.

Senator McCARTHY. I have nothing further.

Mr. KENNEDY. I just want to clear up one question and do it quickly with you about how you finally got in the union. You did not get into the union immediately after you all signed this petition to get into the union?

Mr. TERRY. I wouldn't use the word "immediately," but I got in very soon after we signed the petition.

Mr. KENNEDY. But you were not taken into the union at the same time as all of your colleagues did?

Mr. TERRY. As far as I understand, we all went in at the same time.

Mr. KENNEDY. According to his affidavit—was Mr. Lasko the secretary? Is he not the one that signed the contract for you?

Mr. TERRY. I think Mr. Goebel, the president, signed the contract.

Mr. KENNEDY. This is, again, his affidavit:

On the day that the contract was signed I, in the company of William Goebel, went to Clyde Crosby's office, at which time Goebel and I signed for the CMMO and also turned over to Clyde Crosby the sealed envelopes. Just before I signed the contract I asked Crosby why the bylaws had to be the same as the bylaws in the Seattle contract and he replied that it was for bookkeeping purposes and that it would be easier all around if the conditions of the contracts were the same. I also asked him why the names of the locations and the number of pinball machines in the locations of each coin machine operator were needed, and he stated that they needed this information to determine how many union stickers which were to be placed on the machines would be required. I then told Crosby that I purchased my pinball machines from Lou Dunis, who not only was a coin machine operator, but also a distributor and that if he were not allowed in the union I might encounter some difficulty from local union 223. I also stated that Stan Terry had instituted legal action with regard to the legalization question of the pinball machines, which was then in question, and that actually he was the "front" for the Coin Machine Men of Oregon in this litigation. Further, if he was not allowed into the union the CMMO might become involved in the legal action, which they did not prefer.

And this is the important paragraph:

In reply, Crosby told me that Terry and Lou Dunis would come into the union as soon as they got "squared off" with Mr. Sweeney in Seattle, and that Sweeney would let him, Crosby, know when they could come in. I subsequently learned that Stan Terry and Lou Dunis made several trips to Seattle and on one occasion Terry and Dunis were made to wait for 4 hours outside of Sweeney's office before he would see them.

So you did not get in at that time, Mr. Terry.

Mr. TERRY. May I take 3 minutes and answer that for you, please, sir?

The CHAIRMAN. Let us take one and a half.

Mr. TERRY. One and a half?

The CHAIRMAN. Yes.

Mr. TERRY. As I testified here before, David Fain, my attorney, called their attorney and told them that we were ready and willing to join the teamsters union.

Mr. KENNEDY. I don't think we have to go through all of that.

Mr. TERRY. The legal action that he speaks of in there—

Mr. KENNEDY. I am not asking about the legal action. You answered in answer to the chairman's question that you got into the union after this petition was signed and you all 24 went into the union, and you know that was not true.

Mr. TERRY. Mr. Lasko is under the impression that they were not going to let me in the union.

Mr. KENNEDY. Did you get in at the same time that everybody else got in?

Mr. TERRY. Yes, sir; approximately the same time.

Mr. KENNEDY. Did you come in on the same date that everybody else did in your organization?

Mr. TERRY. I don't know about the same exact date, because as far as I am concerned, when I went in the union, the man came around and said, "Here is the application, I will sign you up." I don't know

if it is the same date that he signed up Mr. Lasko's employees and the rest of the employees.

Mr. KENNEDY. Do you not know you were out of the union when the rest of your colleagues were in the union?

Mr. TERRY. As far as I am concerned, when we delivered that paper to the teamsters union, if they didn't take us all in the teamsters union, myself, particularly, the teamsters was going to get the best lawsuit they ever had in their life.

Mr. KENNEDY. We talked about that this morning.

Senator McCARTHY. Mr. Kennedy, can I ask you a question for the record? It is correct, is it, that Mr. Elkins has sworn under oath that this witness told him that he paid money to get the charter, call it what you may, to get into the union, that Beckman, who was in jail with Goldbaum, said that there was an agreement to get money, so that as of now somebody has committed perjury?

Would you say that is a fair analysis?

Mr. KENNEDY. I think between the various affidavits that have been submitted, Senator McCarthy, under oath, and the testimony of Mr. Terry, and the testimony of Mr. Goldbaum, and the testimony of Mr. Elkins, there is a good deal of perjury.

Senator McCARTHY. And all of the affidavits that you have received—I should not say all, but the consensus of the material and the affidavits received indicates that this witness paid money to get into the teamsters?

Mr. KENNEDY. I think there is information that he not only paid or at least that he promised to pay Mr. Goldbaum for the services of making the appointment with Frank Brewster but that he also made a statement that he paid Mr. Frank Brewster \$10,000 or a large sum of money, and he made a statement to Mr. Lasko, of the Coin Machine Operators, that he had to take care and pay what was equivalent to a man's salary for a year.

Senator McCARTHY. So that either those statements were false or this witness is guilty of perjury: is that the logical conclusion?

Mr. KENNEDY. As I say, somebody is not telling the truth, Senator.

Mr. TERRY. Mr. Chairman, may I say something else?

Senator McCARTHY. Mr. Chairman, may I ask one other question?

The CHAIRMAN. All right.

Senator McCARTHY. I know you have conducted a painstaking investigation. I know also that when you are dealing with a racketeer element, they do not normally sign checks. I assume that from the investigation of the bank accounts, it is about impossible to pin down who is telling the truth and who is not.

Mr. KENNEDY. That is correct. Then we have the additional problem of this fund that we discussed this morning, of the \$20 off the top that was received from the various operators.

The CHAIRMAN. The Chair had this in mind, gentlemen, and I think we can shorten it, prior to any comment of a moment ago. The Chair had discussed with the chief counsel the very thought that Senator McCarthy expressed. A lot of this testimony cannot be reconciled. Someone is simply telling a falsehood.

Mr. TERRY. Well, it is not me, sir.

The CHAIRMAN. The Chair did not accuse you. Someone is telling a falsehood. Someone has absolutely perjured himself.

Mr. TERRY. Well, it is not me.

The CHAIRMAN. Will you let the chairman proceed?

Mr. TERRY. I am sorry.

The CHAIRMAN. The Chair, without objection from the members of the committee, will direct that the transcript of this testimony be immediately referred to the Department of Justice for such appropriate action as in its judgment is warranted.

That is all the Chair wanted to do.

Senator MUNDT. Mr. Chairman, are all the affidavits included in there?

The CHAIRMAN. Yes, they are part of the record. They have been made a part of the record.

Mr. TERRY. Mr. Chairman, I have come here and told you the truth and the whole truth. From what you said, I don't know whether you are inferring that I could possibly be under perjury or not, but if I have to take the perjury accusation for telling the truth, then I will take it. Because I have told you the truth.

The CHAIRMAN. The Chair has not accused you. I have not accused anyone. The facts are apparent. It is obvious that someone——

Mr. TERRY. I am sorry, sir. I just happened to be sitting here.

The CHAIRMAN. If you will be quiet, this is not directed to you. We referred to the others. It is not directed to you any more than the others. You have testified under oath. The Chair has been patient with you and has given you time, repeatedly, 2 minutes, 3 minutes, 5 minutes, to make your explanation. You have this afternoon changed your testimony from this morning.

Mr. TERRY. I am not going to change my testimony, because I have been telling you the truth.

The CHAIRMAN. Will you be patient a moment, please, sir?

I do not want to be unkind to you. You have changed your testimony from what you testified to just a few hours ago after you heard another witness testify. Notwithstanding that, there is still serious conflict in the testimony.

If that is what the committee is going to have to contend with here continuously, we may just as well find out who is telling the truth as soon as we can. The record now warrants the action that the Chair has mentioned, and that action will be taken unless there is objection on the part of some member of the committee.

Senator McCARTHY. Mr. Chairman, might I just add very, very briefly, that while I have been questioning some of these witnesses to try and arrive at their motives for giving certain testimony, this might, on the face of it, be construed as a reflection upon the excellent work done by the chief counsel and the staff. I want to be very clear that I think they have done a tremendous job.

However, where there is a question in my mind, where I have received information, I have no choice but to subject the witness to rather vigorous cross-examination.

Senator MUNDT. Mr. Chairman, may I ask one other question?

The CHAIRMAN. All right, Senator.

Senator MUNDT. You may have been asked this question, Mr. Terry, when I was away from the committee table. I would like to have you answer it again. Have you ever heard of the Acme Amusement Co. or pinball company, or Acme Co.?

Mr. TERRY. Yes, sir, I have.

Senator MUNDT. Have you heard that it was headed or operated by a brother of Mr. Elkins, and friends of Mr. Elkins?

Mr. TERRY. I couldn't testify to that for sure. I will say in my experience with the Acme Amusement Co., it was this, that this route that I rented with the option to buy from Mr. Elkins in that location was a location called Doll and Pennys. During the time, let's say, from the time that I got my withdrawal card from the union, I had the machines in Doll and Pennys. The fellow called me one day and told me to take my machines out of Doll and Pennys.

Why?

Senator MUNDT. The operator?

Mr. TERRY. No. The owner of Doll and Pennys called me and told me to take my machines out of Doll and Pennys. So I sent my man down to ask him why we had to take our machines out of Doll and Pennys, and he didn't give me any good explanation, except that they weren't making enough money, or there wasn't enough play, or I wasn't giving the right kind of service, and giving the excuses like that which are ordinary excuses in the business. I took my machines out, and then some time later in went the Acme Amusement Co. machines.

They had a label on them, a union label. I tried to find out who actually owned the Acme Amusement Co. and the closest I could come was Herman Walter, and Budge Wright at least solicited the location, and Herman Walters went down and solicited the Mount Hood Cafe, as Mr. Crouch told me.

Senator MUNDT. My next question is, Did Mr. Crouch tell you that somebody tried to get him to replace the machines you had to take out by Acme machines?

Mr. TERRY. Mr. Crouch led me to believe that he could get machines.

Senator MUNDT. From Acme?

Mr. TERRY. I don't know whether Mr. Crouch told me he could get them from Acme or not. But he told me if I was in the union, I could leave my machines there.

Senator MUNDT. The Acme machines were, to the best of your knowledge, union machines?

Mr. TERRY. Wherever I saw the Acme machines, and the reason why I know they were Acme machines, is on the machines they had a card "for service call the Acme Amusement Co.," on those machines was a union sticker; yes, sir.

Senator MUNDT. So your experience as a competitor of Acme led you to believe that you were being discriminated against as an operator because your machines were not union machines and Acme machines were union machines: is that correct?

Mr. TERRY. I would say this, that the Acme Amusement Co. was using the fact that they had a union sticker to maybe solicit some of my accounts. But my competitors are always using some reasons, as I explained before. They have a bowler that goes up to 3,000 or something. Acme Amusement Co. said, "We are union. Terry is not union."

Senator MUNDT. So the answer to my question is "yes," Acme was using the union label as a device to try to deprive you of some of your locations of your machines?

Mr. TERRY. That is my impression; yes, sir.

Senator MUNDT. One of which was the Mount Hood Cafe?

Mr. TERRY. Yes, sir.

Senator MUNDT. And one of which was Penneys, did you say?

Mr. TERRY. Doll and Penneys.

Senator MUNDT. That is two. Can you name a third one?

Mr. TERRY. A third one was another location I got from Mr. Elkins, and I think it was the Broadway Cafe.

Senator MUNDT. The Broadway Cafe?

Mr. TERRY. Yes, sir.

Senator MUNDT. Can you name a fourth one?

Mr. TERRY. Offhand I can't remember a fourth one. The whole number of locations where this particular incident happened may only involve 5 or 6 places. Even with their union label they weren't making very much ground.

Senator MUNDT. You think there were 5 or 6 places where you underwent that kind of difficulty, but you can remember the names of only 3?

Mr. TERRY. Well, no, sir. There is only at the most maybe 5 or 6 places, where they actually took my machines out and put their machines in.

Senator MUNDT. There were 5 or 6 places where you recall they took your machines out and put in Acme machines?

Mr. TERRY. Yes.

Senator MUNDT. You have named three of them?

Mr. TERRY. I can only recall three; yes, sir.

Senator MUNDT. But there probably are perhaps three additional that you cannot recall?

Mr. TERRY. Perhaps, yes.

The CHAIRMAN. All right.

You may stand aside, Mr. Terry.

Mr. Howard Morgan, would you come forward, please?

(Present at this point in the hearing were Senators McClellan, McNamara, McCarthy, Mundt, and Goldwater.)

The CHAIRMAN. Will you be sworn, please? You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MORGAN. I do.

TESTIMONY OF HOWARD MORGAN

The CHAIRMAN. State your name, your place of residence, your business and occupation.

Mr. MORGAN. My name is Howard Morgan. My address is Route 2, Box 26, Monmouth, Oreg. I am presently the public utility commissioner of the State of Oregon.

The CHAIRMAN. What former positions have you held?

Mr. MORGAN. How far back do you want me to go, sir?

The CHAIRMAN. Well, you will probably cover it later in your testimony.

Do you know the rules of the committee? You have elected to appear without counsel?

Mr. MORGAN. That is correct.

The CHAIRMAN. All right, Mr. Kennedy, you can proceed.

Mr. MORGAN. I might say I am a voluntary witness who was subpoenaed at my own request.

The CHAIRMAN. You were subpoenaed at your own request?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. May the Chair inquire, do you have a prepared statement?

Mr. MORGAN. Because I am going to cover a chronological period, extending over a period of time——

The CHAIRMAN. You just have notes?

Mr. MORGAN. I have simply a set of reminder notes; yes, sir.

The CHAIRMAN. All right.

Mr. MORGAN. I would like to say at the outset that I now occupy a position which by statute is divorced from partisan politics, and because this testimony will cover the period of time when I was engaged in partisan politics, I want to make it very plain that this does not reflect my present activities.

I will try to give accurate testimony covering this long period.

I would like to ask the photographers, if they will, to take their pictures now and not disturb me during the testimony.

The CHAIRMAN. All right, gentlemen.

Senator McNAMARA. I am a little confused in my mind at this point. You indicated that you previously had a political job?

Mr. MORGAN. Yes, sir.

Senator McNAMARA. Does that mean a paid partisan political job?

Mr. MORGAN. No, sir.

At this point, if I may, I will cover my background from the time I was in college until the present time.

I am a graduate of Reed College in Portland.

The CHAIRMAN. All right, gentlemen, dispense with the pictures.

Mr. MORGAN. I am a graduate of the University of California Graduate School at Berkeley. I was on the staff of the late Joseph Eastman, of the Interstate Commerce Commission, Office of Defense Transportation, here in Washington.

During the war, I was a naval officer. Upon returning to Oregon, I purchased a livestock ranch and served in the Oregon State Legislature, and from February 1952 to July 1956 I was the chairman of the Democratic Party of Oregon.

I now operate two livestock ranches in addition to the position which I hold with the State of Oregon, having held that job since January 16, 1957.

Over this period of time, I have had, of necessity, many contacts and made many observations of the teamsters. The period of my chairmanship was a period of growth and success of the Democratic Party after many years of dormancy in the State of Oregon. The teamsters union and those affiliated with the teamsters union were among those who were quick to recognize that the Democratic Party was in a position to win elections, and they attempted to get, in my opinion, both legitimate and illegitimate, advantage from that growth of my party.

I believe I am the first person in Oregon, or at least among the first persons in Oregon, to assess the intentions of the teamsters, and those with whom they were associated, to calculate their chances of success, and the dangers to the State, and to take concrete action to attempt to stop improper control of government by those who should not come into such control.

I would like to say, as a general statement, that the membership of the teamsters union is not different in any marked degree from the membership of any other labor union in the State of Oregon, and many of the teamster officials are fine men, of high integrity. There are some officials, however, whose actions give rise to grave concern, and whom it became necessary to watch, and, upon occasion, keep under some kind of control.

I never had any concern when the teamsters union supported candidates of my party or of the Republican Party, so long as the teamsters did so as a part of the unified labor movement, supporting men on their records, when those records attracted the support of labor generally. But there were occasions when the teamsters gave rise to grave concern, not only on my part, but other people in public affairs, when they picked out a candidate, not supported by the rest of labor, either in my party or in the other party, and supported him alone.

In 1954, this occurred on two occasions. Mr. William Langley, a Democrat, was supported by the teamsters union alone, of all of labor, and the remainder of labor supported John McCourt, a Republican, for the position of district attorney. Paul Patterson, Republican, was supported by the teamsters alone; all the rest of labor supporting Joseph Carson, a Democrat.

The CHAIRMAN. What office was that for?

Mr. MORGAN. For Governor, sir. In this case we had the teamsters supporting Democrat for district attorney, a Republican for Governor, and all the rest of labor going the other way, in both cases. In both cases, the decision to support these people was made in Seattle.

You heard testimony this morning describing the decision and where it was made to support Mr. Langley for district attorney. In the case of Mr. Patterson for Governor, I found, through a leak from the Teamster paper about a week before the Teamster was published, early in the year 1954, I would estimate it at March or April—you can check on that through the files of the Teamster paper, the issue which carried the endorsement of Mr. Patterson—

The CHAIRMAN. Was Mr. Patterson a Republican or a Democratic Governor?

Mr. MORGAN. He was the incumbent Republican Governor. He succeeded to the governorship after Mr. McKay was elevated to the Cabinet. I was told about a week in advance that the Teamster newspaper would come out with an endorsement for Paul Patterson, not only in the primary election, but all through the general election. Our primary election is in May and our general, of course, is in November.

I believe this was in April. I called the teamsters and asked to speak to the leaders, and they arranged a meeting at which I attended, in the afternoon. I cannot remember all those who were present, but I can remember that John Sweeney was there, Clyde Crosby, and, I think, Malloy. I am sorry that I can't remember the whole group. It was a rather large group. I would say about eight men.

The CHAIRMAN. How many?

Mr. MORGAN. About eight.

The CHAIRMAN. Eight?

Mr. MORGAN. Yes, sir.

(At this point, Senator McCarthy left the room.)

Mr. MORGAN. We discussed this matter for, I would say, about an hour and a half, and I went over the various reasons why the teamsters, in my opinion, should be following the path of the rest of labor in supporting Mr. Patterson's opponent. I was finally told at the conclusion of this time, by Mr. Crosby, that he wished I had come over 2 weeks earlier. My response to that was that I didn't have any inkling two weeks earlier that the teamsters proposed such a thing. He then said, "Well, I am sorry, Howard, but the decision has been made up north, and we have to carry it out."

The CHAIRMAN. Had been made up north? What did he mean?

Mr. MORGAN. Seattle.

The CHAIRMAN. It had been made in Seattle?

Mr. MORGAN. Yes.

The CHAIRMAN. Who was in Seattle that would make that decision?

Mr. MORGAN. I presume that would be Mr. Dave Beck.

The CHAIRMAN. Dave Beck?

Mr. MORGAN. Yes.

The CHAIRMAN. You may proceed.

Mr. MORGAN. These two endorsements of the teamsters, Mr. Patterson for Governor and Mr. Langley for district attorney, in my opinion, as I will try to show in my testimony, and I will go through it as rapidly and accurately as I can, were related.

I will now describe the chronological situation in relationship to Mr. Langley.

This situation began late in 1953 and early 1954. The filings for the primary in Oregon close in early March. We have what is known as a completely open primary. There is no endorsements, no nomination, by party caucus or by party central committee.

The CHAIRMAN. In other words, anyone can run for the nomination who qualifies?

Mr. MORGAN. Anyone can run, and this gives rise to the problem of self-starters. Don't misunderstand me. The system has its advantages, but it also has its disadvantages.

It was known that Mr. Langley wished to run. He had run for this office in 1948, and during that election some derogatory information concerning him had been publicized. His behavior had been such as not to reassure those who wanted to see good government. His opponent, Mr. McCourt, a Republican, had been defeated 2 years before. Mr. McCourt was the incumbent district attorney. He had been defeated 2 years before for attorney general of the State. It was my opinion that that had weakened McCourt in such a way that he would be defeated by almost any Democrat.

Therefore, I attempted to find a good Democrat to run, because I felt whoever we ran would be the new district attorney. I felt that Mr. Langley—he is in a lot of trouble, and I don't want to give him any additional trouble now.

I thought it would be best for the party, and best for the city and county, if he did not run. I therefore tried to find a better candidate. I interviewed several of the leading Democrat attorneys. They were not willing to run. I tried to forestall his filing by encouraging labor

to support McCourt, the Republican candidate, a rather unusual thing to do, but I did it.

The attempts failed. Mr. Langley filed for the nomination. No one else did. He received the Democratic nomination by default.

Senator MUNDT. In your primary, can anybody vote, or does he have to register? Do the voters themselves have to register?

Mr. MORGAN. We have what is almost a permanent registration. It is registration by party. It is not cancelled unless you move or move out of the precinct or out of the country. At the time you vote in the primary election, you call for a ballot according to the party in which you are registered.

Therefore, only party members vote for the nominees of their own party.

Senator MUNDT. It is about the same system we have in South Dakota. I mention that because it would seem to me that if there was a transmigration of teamsters from the Democratic Party to the Republican Party in order to vote for this Mr. McCourt, that that would reflect itself someplace in the registration, would it not?

Mr. MORGAN. I suppose it is possible. But there was no evidence that any such move occurred. My judgment is that the majority of the teamsters are Democrats in the State of Oregon.

Senator MUNDT. I assumed that, so I wondered if they had moved over in the primaries or just in the fall.

Mr. MORGAN. They can't move in the primary, sir. They must vote in their own party.

Senator MUNDT. There is a certain length of time, I presume as we have at home, where they can change registration.

Mr. MORGAN. To change registration? Yes. Of course, they can vote either way in the general election.

Senator MUNDT. Yes; but if they vote in the primary, they have a change to change registration up to a certain time, I presume?

Mr. MORGAN. Yes; that is right.

Senator MUNDT. Do I understand that neither Mr. McCourt or Mr. Langley had opposition in the primary?

Mr. MORGAN. I believe that is the case. I don't remember that Mr. McCourt had any opposition. I know that Mr. Langley did not.

Senator MUNDT. So there would be no reason for them to move their registrations in the primary?

Mr. MORGAN. That is right.

Senator McNAMARA. While there is an interruption in your testimony, I have a question. To get back to what I was trying to establish before, you indicated that after you got out of school you were employed in Washington, D. C., and you mentioned some other employment, and then you mentioned that you were chairman of the State Democratic party, as I understood it.

Mr. MORGAN. Yes, sir.

Senator McNAMARA. That is an unpaid job?

Mr. MORGAN. That is an unpaid job.

Senator McNAMARA. You mentioned that you are now on a paid job as public service commissioner. You leave a gap. How did you make a living between the period of 1952 to 1956, when you were chairman? What did you do besides being chairman?

Mr. MORGAN. I own two livestock ranches, sir.

Senator McNAMARA. You owned them at that time, too?

Mr. MORGAN. Yes.

Senator McNAMARA. Then that was your source of income during that period?

Mr. MORGAN. It wasn't as large as it may sound.

Senator McNAMARA. I wasn't trying to evaluate that. I was just trying to clear it. You reported that you were making a living one way or another, and then you left a gap while you were State chairman, and then you show that you are now on a paid job.

Mr. MORGAN. I am glad you established that. I didn't realize I had left a gap. I purchased the first ranch shortly after World War II.

After the nomination, Mr. Langley conducted sort of a lone wolf campaign, which he had done in 1948, with virtually no contact with the party organization, and hardly ever seen except at an occasional political rally. His campaign went along quietly, and in spite of my feeling that McCourt would certainly be defeated, it began to look as though it would be a rerun of 1948, when Mr. Langley lost.

But about 6 weeks or a month before the end of the campaign, Tom Maloney came down from Seattle. I believe he has testified before this committee. He moved in with great vigor, and took charge of Mr. Langley's campaign.

The CHAIRMAN. Who was that?

Mr. MORGAN. Tom Maloney.

The CHAIRMAN. Maloney?

Mr. MORGAN. Yes, sir. He announced loudly and publicly that he had been sent by Dave Beck and Frank Brewster. He said that he was both a personal friend of these men and that he was an official of the teamsters union. I encountered him, as I naturally would, at many political gatherings and various hotels where he was staying in Portland.

He put Mr. Langley on a 22-hour schedule out of the 24, an exhausting, round-the-clock performance. A good deal of money was spent in a very short time. They visited all the changes of shift in the factories, and so on, and so on.

This, of course, was alarming to me and to others in the Democratic Party who had a pretty fair idea of what it meant. Mr. Maloney, by his appearance and bearing, and behavior, his manner of speech and various other ways, indicates that he is not exactly interested in good government.

The CHAIRMAN. Is that the same Thomas Maloney who testified here, that took the fifth amendment the day before yesterday?

Mr. MORGAN. That was Frank Malloy, I believe.

Mr. KENNEDY. He testified the first day of the hearing, Mr. Chairman.

The CHAIRMAN. The first day of the hearing?

Mr. MORGAN. That is the man.

Senator MUNDT. And this Tom Maloney, as I understand it, was not a resident of your State, but he came down from another State?

Mr. MORGAN. That is correct.

Senator MUNDT. And that would, in itself, arouse our suspicions?

Mr. MORGAN. We were not exactly happy about it.

Mr. KENNEDY. And said he was sent by Mr. Brewster and Mr. Beck?

Mr. MORGAN. He used Brewster's name continuously.

Senator MUNDT. Did he ever refer to John Sweeney?

Mr. MORGAN. Yes.

Senator MUNDT. He used that in the same connection, I assume, as the other two?

Mr. MORGAN. Yes. And he was seen often with the teamsters, including Mr. Sweeney and the other teamster officials there.

Senator GOLDWATER. Do you know how much money he may have spent during that campaign?

Mr. MORGAN. No, sir, I don't, and I don't have the record showing the official report to the State. A great deal of money was spent. I can't remember the figures now, but there was a good deal of boasting about that point, too. At various times during the campaign I talked to Mr. Maloney, during the remaining month, and to other teamster officials, and I tried to find out from them why they were interested in Mr. Langley's campaign.

I got no particular answer, at least not a convincing one. The most explicit one that I can recall is, I believe it was Maloney who said, "John McCourt said, 'To hell with the teamsters,' so we are going to get him."

I pointed out this was a rather childish reason for spending all of that money, and all this activity, but I could not get any other answer. Then I warned them that I certainly would not remain quiet, and neither would the rest of the Democrats if Langley were successful and they then moved in on his office.

After the election, the county chairman, Ken Rinke, and I, met a large number of teamster officials at the Portland airport. We had gone out there to see someone off, and they, I think, were just coming in from Seattle, and we met. We sat down and had coffee, and at that time we issued a final warning to them, after trying again to find out why they were so interested in Langley.

We issued a final warning to them that we would not tolerate improper use of the district attorney's office of Multnomah County.

Senator MUNDT. Do you recall the names of any of those officials?

Mr. MORGAN. Mr. Maloney was there, Clyde Crosby, and Mr. Sweeney.

Senator MUNDT. Mr. Crosby, as I understand it, was not a Seattle man. He was a Portland man; was he not?

Mr. MORGAN. Yes. They do a good deal of traveling back and forth. I believe Jim Hagen was there. I think there was a total of about six.

Senator MUNDT. Mr. Brewster was not there?

Mr. MORGAN. I have never met Mr. Brewster. I have never seen him or Mr. Beck. Mr. Beck doesn't visit Oregon, I am told.

Mr. KENNEDY. Why doesn't he visit Oregon?

Mr. MORGAN. There are a number of stories about that, and I don't know whether they are true or not. I understand there was some difficulty over a box factory that burned down some years back, and since then Mr. Beck has not visited the State.

Mr. KENNEDY. Is there an indictment waiting for him if he comes back to Oregon?

Mr. MORGAN. I have been told so, yes. I do not know whether that is true. I have not heard of him visiting the State of Oregon.

This brings us up to the election. During the campaign, especially during the later periods of the campaign, the attorney general of Oregon, Robert C. Thornton, had been demanding to be allowed by

the Governor to investigate a reported scandal in the State liquor commission. Oregon has a peculiar law. The attorney general cannot supersede a district attorney and conduct a grand jury investigation, or prosecute, unless he is ordered to do so by the Governor. For him to act in the capacity of a prosecutor requires specific authorization by the Governor.

Mr. Thornton had been making public statements for quite a while about this, insisting, and becoming more insistent. Governor Patterson had steadfastly, throughout the campaign, refused to allow him to investigate the liquor commission, and continued to refuse to allow him, even after the election where Mr. Patterson was successfully elected.

On December 10, 1954, the Democrats held a victory celebration, a banquet, with about 700 people present in the city of Portland. We had won some offices in that election as we had expected to, and this was simply a dinner to celebrate and help put a dent in the deficit. Mr. Maloney showed up at that dinner, and just before the guests were to sit down, with about 700 people in the room, 40 or 50 of them standing around in earshot and watching the performance, Maloney with no warning, walked up to me in the middle of the hall, with a cigar between his first two fingers, thumped me on the chest, scattering cigar ashes all over a dark blue suit I had on, and said, "You make Thornton lay off that liquor commission investigation," in a very loud voice. Of course, I was angry, and while brushing the cigar ashes off my clothes, I said "That sounds like an order," and he said, "That's an order."

I then first told him to go to hell, but the immediate question I asked him was "What is your interest in the liquor control commission? Why don't you want that investigated? Why do you care whether it is investigated?"

He said, "You know damn well what this means to us. Paul Patterson is our pigeon and we don't want nobody shooting at him."

What this means is that Oregon is a monopoly State. The liquor commission is appointed by the Governor. It is a three-man commission. It is directly responsible to the Governor. Any embarrassment to the liquor commission, and there have been stories about scandals in that commission since it was established in 1933, is a tremendous handicap to the Governor. It is his responsibility.

After I told Maloney that I would have nothing to do with Thornton's starting the investigation and I would have nothing to do with stopping it, even if I wanted to, which I didn't, he retired then and talked to Clyde Crosby. Crosby then approached me, and in a more quiet tone of voice said, "Has Maloney been trying to give you a bad time?" and I said, "He has been trying."

Crosby said, "Well, I would put it a little differently, but it amounts to the same thing. We wish Thornton would lay off."

Senator MUNDT. Straighten me on one point, if you will. Thornton was the attorney general?

Mr. MORGAN. Yes, sir.

Senator MUNDT. He is part of a Republican administration. You were Democratic chairman. How would you have influence with Thornton?

Mr. MORGAN. Mr. Thornton is a Democrat. He was the only Democrat elected in 1952.

Senator MUNDT. While Patterson was a Republican Governor, Thornton was a Democratic attorney general?

Mr. MORGAN. That is right. It is an elective office.

He was ordering me, and he acknowledged it as an order.

Mr. KENNEDY. Crosby confirmed what Maloney said?

Mr. MORGAN. Crosby backed him up with better manners, but that is not hard to do, when you talk about Maloney.

I told Crosby, whom I had known for quite a while, I had, as I naturally would, many contacts with him, I said, "Clyde, you have enough trouble in the labor movement without getting into things like the liquor commission. I don't know what this is all about, but it is a mistake. While I am giving you advice, let me give you some good advice; you better get that gorilla of Maloney back up to Seattle again and into his cage before he gives you some real trouble," whereupon Crosby turned his back and went away and didn't speak to me again for over a year, which was all right with me.

Thornton, a few days later, announced that since the Governor would not authorize him to investigate the liquor commission, he would investigate it anyhow by using, in collaboration, the office of the new district attorney of Multnomah County, William Langley. He made this in a front-page announcement in the newspaper. Langley had not yet taken office. This was still in December. He did not take office until about January 4.

When I saw that in the paper, I drove to Salem and warned Thornton. I tried to persuade him not to rely on Langley. I told him Langley was under obligation to the teamsters, that Patterson was, too, and that if he went ahead with an investigation through Langley's office, he would be double-crossed and politically damaged.

Mr. Thornton wouldn't believe what I told him. He said Langley was all right, and Langley wanted to investigate and he was going to go ahead.

(At this point Senator Goldwater left the room.)

Mr. MORGAN. I told him that the next time he talked to Mr. Langley he would find that Langley's attitude had drastically changed. I said, "Sure, he is willing to go along now, because the teamsters haven't talked to him. The reason they haven't talked to him is because they didn't know you were going to make this proposal. But now that it has been in the paper, the next time you talk to Langley you will find he will not cooperate with you."

Mr. Thornton called me about 4 days later at the ranch and told me this was exactly what would happen.

I then told Mr. Thornton that if he continued to insist that the Governor authorize him to go ahead anyway, that I could predict with virtual certainty that Patterson would authorize or order the district attorney of Multnomah County to conduct that investigation. In other words, a Republican governor would ask a Democratic district attorney to investigate a liquor commission in which there was alleged to be a scandal directly under the responsibility of the Republican Governor.

Mr. Thornton wouldn't believe this either, but this is exactly what happened, as a result of Mr. Thornton's continued insistence that Governor Patterson send him in.

(Senator Goldwater returned to the hearing room.)

Mr. MORGAN. I then went to Mr. Thornton and urged that he stay away from that investigation. I said it was sure to be a whitewash, that the same people controlled both the parties to it, and that Mr. Thornton should stay as far away from it as he could, that if he participated in any way he would do so without power, and he would be damaged.

That prediction came true, too.

In the first place, no indictments came out of it, and it was popularly regarded as a whitewash, the latest of many, and second, in the grand jury, there was testimony produced by a private investigator named Bartholomew, in collaboration with another private detective named Skousen, who both made the statement that Thornton had approached them and asked them to undertake this work on his payroll because it was a very smart political move which might make a great political future for Thornton.

These men testified so before the grand jury, and then came outside the grand jury door and repeated their statements to newspapermen, which, as you know, is illegal. Mr. Langley had no objection to this procedure at all.

In the recent grand jury cases, it was learned that this testimony by these private investigators was arranged by Mr. Elkins, Mr. McLaughlin, and Mr. Maloney, who brought these private investigators to Mr. Langley and set up this deal.

I don't want you to think I am a genius, but I predicted from the start, almost play-by-play, what was going to happen in this situation, and it happened almost exactly as I said it would.

These two men, both elected to office by the teamsters' support, whereas the rest of labor's support went to their opponents, were working as a two-man team, the Governor and the district attorney.

By the fall of 1955, the situation looked worse and worse. There was no question in my mind that an attempt was being made to take over law enforcement in the State of Oregon from the local level in Multnomah County, in Portland, right up to and including the Governor's chair.

The CHAIRMAN. For whom to take it over?

Mr. MORGAN. For the teamsters and the persons with whom they were associated.

The CHAIRMAN. You are speaking principally of Brewster and Beck and Malloy?

Mr. MORGAN. And Maloney.

The CHAIRMAN. And Maloney.

Mr. MORGAN. At this time I did not know of the activities of Mr. McLaughlin. There are many things I did not know. But I knew enough to be sure that attempts were being made, heavy pressure was being put on the Multnomah County commissioners to control them. One commissioner, Mr. Gleason, who resisted control by the teamsters, a great many plots and maneuvers were in circulation attempting to remove him, to defeat him, or to keep him from running again. That was at the county level. There was the move on to support Terry Schunk, the sheriff, for mayor. There were several theories about this. One was that the teamsters had not been able to make a deal with him, although they had been trying, and wanted to shift him inside the city in order to be able to replace him with a sheriff of their own choosing after gaining control of the county commissioners,

thereby making it possible for them to appoint to that office a man of their own choice. They wished to replace the attorney general, who was an honest man, and a scrapper, with an attorney general acceptable to labor from either party. That made no difference to them.

The CHAIRMAN. Do you mean acceptable to labor as such or acceptable to the teamsters?

Mr. MORGAN. Acceptable to the teamsters. Let me say in this regard that Mr. Thornton had aroused the displeasure of some of the other labor unions and I think their objections were legitimate.

Nevertheless, the teamsters officials had particular reasons for wishing to be rid of Mr. Thornton and they had led the attacks on him and led the movement to endorse another man.

(At this point in the proceedings the chairman left the hearing room.)

Mr. MORGAN. I think there were illegitimate reasons on top of legitimate reasons for the opposition.

Senator MUNDT (presiding). Do I understand at that time Thornton had incurred the disapproval of other elements in labor for legitimate reasons not connected with corruption?

Mr. MORGAN. That is right.

Senator MUNDT. So in this case the teamsters were joined with other elements of labor in trying to carry out a mutual objective which they approached for different reasons?

Mr. MORGAN. Yes, sir. I would say the rest of the objections to Mr. Thornton were comparatively mild. The objections of the teamsters were very, very bitter and were related to other than labor matters, in my opinion.

And, of course, on top of all this, the teamsters wished to continue their close ties with the office of Governor Patterson. What this amounted to is simply this: If they had the same kind of luck, the same kind of breaks in the 1956 elections with these objectives in mind that they had already had in the 1954 elections, they could have put together control over law enforcement procedures extending from the local level in Multnomah County to the Governor's chair without a break in the chain, without a missing link.

At this time, after watching this situation for about a year, and having been unable to prevent or control it by myself, I came to the conclusion that neither I, nor a political party could control the situation, that it required an expert investigation beyond my capacity or the party's and that full publicity was necessary and was the fastest remedy because the law-enforcement procedures on the local level were not in friendly hands.

And I and the people who were working with me had done all we could and could not go further. So I went to the newspapermen in September of 1955.

Mr. KENNEDY. You felt by this time it had become a very dangerous situation in the State of Oregon?

Mr. MORGAN. Yes, I had.

Mr. KENNEDY. By the control the teamsters were getting over all machinery of government, is that correct, or their attempt to get control, their efforts to gain control?

Mr. MORGAN. Yes. When we say "teamsters," I want it clearly understood, as I tried to make it clear, that I am talking about a few

officials at the local and higher levels, not the rank and file membership of the teamsters' union itself.

Mr. KENNEDY. But you felt that the efforts of the teamster officials, and their successes in certain fields, had grown to be a dangerous situation in the State of Oregon?

Mr. MORGAN. Yes.

Senator McNAMARA. Mr. Chairman?

Senator MUNDT. Senator McNamara.

Senator McNAMARA. Are you going to elaborate on the business of having gone to the newspapers? Are there certain papers, or local papers?

Mr. MORGAN. I went to the two metropolitan papers in Portland, the Portland Oregonian and the Oregon Journal. I talked to Malcolm Bower, one of the editors of the Oregonian, and I talked to Doug McKean, former political editor and, at that time, editor of the editorial page of the Oregon Journal. I also talked to Wendel Webb, editor of the Oregon Statesman, published by former Governor Sprague. All of these papers are Republican, incidentally.

Senator MUNDT. That is in Salem, is it not?

Mr. MORGAN. In Salem, and probably the most influential paper in the State. I found an attitude of more or less disbelief on the part of the people I talked to. It was a rather fantastic story and I found that they felt I was an alarmist and that this could not possibly be true.

Oregonians are fond of believing that Oregon is different from other States. The things that could happen elsewhere just could not happen in Oregon. At any rate, nothing was done about it by the papers.

I commented a couple of times to various people I spoke to. But there was no action until Mr. Elkins had his falling out with the people and came to the Oregonian and talked to some people that I had already talked to.

(At this point in the proceedings, the chairman entered the hearing room.)

Mr. MORGAN. Then it was noticed, of course, that his story dovetailed with mine. The Oregonian then, in early 1956, began publishing a series of articles which, I presume, had something to do with the beginning of these hearings.

Then, in April or early May, the Oregonian began to be sued; notice of intention of suit was filed with the Oregonian and that paper strongly requested that I make a formal statement for publication covering the chronological sequence of events which I have described to you.

I did so and an article was published on May 8, 1956, giving a shorter version of the foregoing testimony.

Senator MUNDT. Quoting you?

Mr. MORGAN. Pardon?

Senator MUNDT. Quoting you?

Mr. MORGAN. I wrote it at their request.

Senator MUNDT. But was it quoting you in the paper? Was it known that you wrote it?

Mr. MORGAN. Yes.

Senator MUNDT. Were you ever threatened with a libel suit?

Mr. MORGAN. No, sir.

Senator MUNDT. As a consequence, you were not threatened?

Mr. MORGAN. No, sir.

Senator MUNDT. The teamsters never tried to take you into court on that?

Mr. MORGAN. No. I think your committee has a copy of that in the files.

Senator MUNDT. From your very intimate knowledge of this whole situation and the very dedicated attention you gave to it, you, of course, followed, I presume, the stories growing out of Mr. Elkins' conference with the newspapers, pretty much paragraph by paragraph?

Mr. MORGAN. Yes, sir.

Senator MUNDT. Could you tell us whether, in your opinion, by and large, the stories as reported through the press from Mr. Elkins jibed with the information you had independently been able to develop?

Mr. MORGAN. Well, a great deal of Mr. Elkins' material was entirely new to me.

Senator MUNDT. That, of course would be true. I mean just on the points where you did have independent knowledge, I am wondering whether on those points it pretty well described the information you had.

Mr. MORGAN. It made understandable a great many things I had wondered about and not understood before. All the stories about the E-R center, the exhibition and recreation center, and the alleged scandals surrounding that, were new to me.

(At this point in the proceedings Senator McNamara left the hearing room.)

Mr. MORGAN. I knew about the pinball operations, and I knew there was a struggle in the city of Portland for control of the underworld, but I did not work in those areas. As a matter of fact, I saw Mr. Elkins for the first time within the past week.

Senator MUNDT. I understand. You are a sheepman and I come from sheep country and sheepmen are not racketeers. You would not know much about that.

Mr. MORGAN. Mr. McLaughlin's attorney introduced him to me at the door a few minutes ago.

Senator MUNDT. I was simply trying to establish the degree of credibility of Mr. Elkins' testimony. You bring us a new source of information quite independent from the racketeering elements involving pinball operations and vice, but related to the political activities of Mr. Elkins. I was wondering whether you knew whether, in those areas where you were concerned, there seemed to be a considerable degree of accuracy in the reports you read from Mr. Elkins.

Mr. MORGAN. If you are asking for a comment of opinion, I would like to say this: I think Mr. Elkins made the statement in testimony here the other day that there was grave danger of this coalition taking over law-enforcement procedures in Oregon. I have made the same statement and I think that was true. In the same testimony, however, he pointed out the teamsters helped defeat a mayor in the city of Portland and made it sound as though justice and piety had suffered a terrible blow by virtue of that fact.

Such may be the case; I do not know. But I do know that Mr. Elkins has been doing business in the city of Portland for a long time

under a great many administrations, including the administration of that mayor, and I think perhaps that ought to be added to Mr. Elkins' statements about local government in the area.

The CHAIRMAN. Have you finished?

Mr. MORGAN. I think Mr. Kennedy has a question.

Mr. KENNEDY. Did you ever have any other approach or conversation that disturbed you at all about the power of the teamsters?

Mr. MORGAN. Well, it has been a disturbing thing to me continuously, as I told you, since some time in 1953. There was an incident in 1956. I might say there, too, the teamsters' union again backed a man who was supported by the teamsters only, while his opponent was supported by all the rest of organized labor. The teamsters supported Jack O'Donnel while all the rest of organized labor supported Stanley Earl, who testified here. Wherever this occurs, in my opinion it is controlled or brought about by the side interests that the teamster officials have as individuals not as representing labor. If I might add another point—

The CHAIRMAN. In other words, you think the interest of the officers or those that are in control of the teamsters in certain areas, their interests are given preference over the interests of good government and also the interests of the union itself, of the laboring people?

Mr. MORGAN. In every case where you have seen the teamsters breaking away from organized labor and supporting a candidate against organized labor, in my opinion that has been the situation and the cause of it; yes, sir.

The CHAIRMAN. In other words, their breaking away and supporting Langley, that is a concrete illustration where they supported Langley while all the rest of labor supported McCourt?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. You have evidence in the sequence of that becoming pretty apparent?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. That was where the officers of the union were undertaking to get control for personal profit and gain to serve their own interests rather than serve the interests of labor as such?

Mr. MORGAN. That is correct, and, sir, I want to say that I acted accordingly. In 1952 I helped defeat John McCourt for attorney general of Oregon. I thought and hoped Mr. Thornton would be a better man.

He happened to be a Democrat. That had something to do with it, of course, but in 1954, when McCourt ran against Langley, I did nothing to help Langley and did quite a lot as I had to do it to keep from disturbing the people in my own party, to help McCourt.

Senator GOLDWATER. I would like to ask this question: In the course of your studying the situation in your own State, have you had any reason to observe similar attempts by these officials of the teamsters union, say, in Washington, California, or Idaho?

Mr. MORGAN. No, sir, I have not.

Senator GOLDWATER. Have you heard of any attempts similar to the ones made in Oregon?

Mr. MORGAN. Nothing except what you have occasionally read in the newspapers or hear about. You are from a western State. Those States are so big that you just don't hear news from the other States on a continuous basis.

Senator GOLDWATER. I thought possibly in the course of your study you had come across some evidence that it might be going on in Washington, California, and Idaho.

You would not be conversant with the Southwestern States, I know.

Mr. MORGAN. I was so engaged and so short-handed and so short of help and everything else, in the intensive political work, that I simply kept my nose in Oregon affairs and had very little contact with the States outside.

(At this point in the proceedings Senator McNamara entered the room.)

Senator GOLDWATER. In the field of manpower around election day, did these teamster officials force their members to go to work at the polls for the candidates they were backing, do you know?

Mr. MORGAN. No. I would not say that, sir. That kind of volunteer political work, such as I have seen of it, is something that the members seem to want to do. There has been a great deal of it in Oregon in the last two campaigns in 1954 and 1956.

I never heard a complaint from a member of a labor union that he had been made to do it or that any penalty had been put on him. I am positive I would have heard if there had been any valid complaints.

Senator GOLDWATER. They exercise their search for power through attempts at intimidation and money, is that about the sum of it?

Mr. MORGAN. Yes. Although in the field of politics, I would not say there was much intimidation, except the threat of political opposition. There is no violence or anything of that kind.

Senator GOLDWATER. No, I was not referring to violence.

Senator MUNDT. I am trying to figure something. Bad though they were, and vicious though their plot obviously was, you did not have by any means a majority of the heads of local teamster unions involved in this plot that came down from Seattle. You had a few people from Seattle, you had a few people from Multnomah County, but they would not in any sense be anywhere even near a majority, I suppose, of the heads of the labor unions.

Mr. MORGAN. That is correct.

Senator MUNDT. To establish the effectiveness of their plan, may I ask you is it your observation that members of labor organizations, or let us say the teamsters organization since that is what we are dealing with, pretty much follow willy-nilly the proclamations of their leaders and what they read in their papers?

Otherwise, I do not see how this plot could have any effectiveness because there was not enough of them alone to make any difference in the voting place.

Mr. MORGAN. My impression of the teamsters is that it is controlled from the top down.

Senator MUNDT. And that goes for voting at the voting places?

Mr. MORGAN. Yes. And I think that is my experience in almost 5 years now in dealing with labor unions in the field of politics. I think that is the chief source of trouble. That is the thing that makes them the hardest to deal with.

The chief thing that makes them hard to deal with, that one union, is that they can be and are, organized from the top down.

Senator MUNDT. Sort of by training or by precedent or by tradition, the poor old teamster driving a truck some place who does not know anything about what is going on. He just is inclined to follow what-

ever he reads in his teamster paper about, "This is the way you ought to vote"?

Mr. MORGAN. I think it is carried a little farther than that. When I was going to college, I carried a teamster card for a short while. In those days, and that is much different than the present, there were prizefighters hired by the teamsters as business agents.

One simply didn't get up in a union hall and make the wrong move at the wrong time. If he did, he might be helped home, and his wife might not recognize him when he arrived. I don't know that that is done on such a scale anymore and I doubt that it is, but that form of control is still there.

If I might make a suggestion, and I hope you won't think me presumptuous, from my own experience I would think that one of the most valuable things that an investigation of this could do would be perhaps either to eliminate the non-communist oaths for certification before labor bargaining before NLRB as being no longer necessary or place alongside of it as a requirement for certification for bargaining, a minimum requirement of democratic procedures in the constitution and bylaws of the union, regular elections, the removal of the officers or the recall of officers, free government by the membership.

My opinion is that that simple thing, and with penalties attached to it if they lose their bargaining rights, would do more to clean up situations like this than anything else I know of.

Senator MUNDT. I do not see any relationship between your second suggestion, which I think is very commendable, and your first suggestion, which I look at with sort of a jaundiced eye.

You could have both, it seems to me.

Mr. MORGAN. I understand your feeling on that point of view. Do not disagree as to the merits of communism. I am not at all sure that we are—we are getting on a side issue now—that that oath is as effective as it ought to be.

Senator MUNDT. You do not think there is any necessary inter-relationship of having those two oaths?

Mr. MORGAN. No. But I would say that is putting a price tag on certification of a union and that is a very bad way to insure some of the democratic controls within the union that I think would solve a lot of these things, especially in the field of politics and public affairs, as well as honesty of administration of union funds, and so on.

Senator MUNDT. So that your testimony cannot be misconstrued, may I say that this is what I think you are trying to say: That as of today, it is even more important in the public interest to have this second kind of oath taken than it is the Communist, but that you are not opposing the Communist oath?

Mr. MORGAN. That is correct.

Senator GOLDWATER. Mr. Chairman; I would like to comment on that. I am afraid that the impression has been left here by the testimony of several witnesses that the practice in the union elections such as we heard were being practiced in Oregon, is a problem.

About 4 years ago I made a study of union constitutions and bylaws to find out how democratic the processes were. By and large most unions in this country have provisions in their constitutions and bylaws calling for the democratic processes and elections.

I would say probably 95 percent of them do. The problem, and I think you all will agree with me here, is one of making any organization use its democratic practices. You find it in your own sheep organization as I find it in my own business organization, that no one comes to the meetings.

We found evidences of strikes of over 8,000 workers being called on the vote of 40 people. Well, is that following the democratic processes? We heard testimony here of an average of 35 or 40 union men attending meetings of a union that represents over 800 members. I know in my own city, maybe there will be only 25 at a meeting of a union of 2,000 people.

So the whole problem is really to try to get Americans to vote, whether it is in national or local elections, to get Americans to vote in their unions and vote in their business establishments. Is that not pretty basic?

MR. MORGAN. I would think so.

Senator GOLDWATER. I am glad you mentioned that other factor. That suggestion of your is a good one. If ever we get around to amending the Taft-Hartley Act, I hope we include that in it.

The CHAIRMAN. One observation the Chair would like to make is that it seems that one way they avoid the democratic processes of giving the membership the opportunities to elect their officers is by placing them in a trusteeship and letting them remain there for many years and, therefore, the officials make the appointments and, therefore, control all of the functions of the union. We will have to find some solution to that.

Senator McNAMARA. I was interested in your remark that you thought the teamsters union was controlled from the top down. Are you referring to the teamsters union nationally or in the area you come from?

MR. MORGAN. The only area I am familiar with is my own, sir.

Senator McNAMARA. You do not necessarily mean that this is so in other districts throughout the country; or do you?

MR. MORGAN. I have read that it is so, but I don't know that it is so. I am sure that it is so in my area.

Senator McNAMARA. From the record that was presented, I believe, by the international to this committee, there is an indication that more unions are in that category of being in trusteeship in your area, the northwest section, than there are in the rest of the country. So, apparently, it is peculiar to your area, comparatively, at least. I was interested in your development of the idea that these people you referred to, the certain officials of the teamsters union in your area, were trying to get control of the whole State.

Does that mean they interfered at all levels of government? Did they get down to the city council or to the mayor and such levels as that?

MR. MORGAN. There has been testimony here about orders being issued to the mayor of Portland, to replace the police chief, and so on. They got pretty rough with the Governor.

Senator McNAMARA. And less rough with the mayor? What is the comparative?

MR. MORGAN. I think they got less rough with the mayor. They got very rough with the district attorney. When they got around to giving orders to me, I felt they were spreading themselves about as far

as they could. What they proposed to do with it when they got all fixed up, I haven't figured out. I think they are a little like Colonel Nasser, they never really thought it through.

Senator McNAMARA. During your time, didn't you have a lady mayor of Portland?

Mr. MORGAN. Yes, sir.

Senator McNAMARA. She was defeated. Which side were they on in that?

Mr. MORGAN. They were on Mr. Peterson's side, the mayor that they defeated in the last election. She was the good-government mayor.

Senator McNAMARA. I understand she was a good mayor.

Mr. MORGAN. Yes; she was. And the teamsters were opposed to her. Mr. Peterson, who is present, was the candidate that defeated her, and he did it with teamster help.

Senator McNAMARA. You don't differentiate between teamsters in this category. Are you talking about these certain people in the teamsters or all of the teamsters?

Mr. MORGAN. I am talking about the fact that the union support was given to a candidate. The decision seemed to be made by 6 or 8 men, and sometimes fewer, and the membership then carries through with it.

Senator McNAMARA. Did the rest of organized labor in the area support the opposition to this lady that was mayor, or was she not endorsed by labor?

Mr. MORGAN. I am afraid I can't answer that question accurately.

Senator McNAMARA. Were you not the State chairman at that time?

Mr. MORGAN. No. That was several years ago.

Senator McNAMARA. Was it 1948? Well, I thought it was more recent.

Mr. MORGAN. No.

Senator McNAMARA. Then you do indicate that, at all levels of government, you find these certain people that you put in a different category than the rest of the teamsters when you started out. And you find them interfering with all levels of government?

Mr. MORGAN. That is right; and I don't include all officials of the teamsters union in that. There are officials of the teamsters union in Oregon, in Portland, in eastern Oregon, who I think are fine, honorable, reputable men.

Senator McNAMARA. Do you indicate that directly these people support other than the candidates that are endorsed by the rest of the labor movement, and you indicate in your testimony that usually they seem to have a good, selfish reason for doing it? Was that correct? Who did they support in the national election recently?

Mr. MORGAN. In Oregon, do you mean?

Senator McNAMARA. No, I mean in the national election. Who did they support, these people in the teamsters union, Beck and these others that you are talking about?

Mr. MORGAN. Beck was announced by the New York Times as supporting Mr. Eisenhower.

Senator McNAMARA. Well, in your State that you know more of than nationwide, did he support Mr. Eisenhower?

Mr. MORGAN. I don't think the teamsters in our State did anything one way or the other about the presidential election.

Senator McNAMARA. Was it a fact that nationwide, as the press said, Mr. Beck came out for Mr. Eisenhower?

Mr. MORGAN. Yes, that is a fact.

Senator McNAMARA. I do not think you want to infer from your testimony that he was motivated by these things, and that he could control Mr. Eisenhower, do you?

Mr. MORGAN. I am not qualified to make a comment on that, sir.

Senator McNAMARA. But you did comment that they entered into these elections because they tried to pick people, regardless of party, who they could control. Didn't you give that kind of testimony?

Mr. MORGAN. I said that I had that feeling, and very definitely, whenever they went in opposition to the majority of labor.

Senator McNAMARA. Let me rephrase that question. Do you have that feeling as it applies to national elections?

Mr. MORGAN. Well, I don't think Mr. Beck does things in politics for nothing. I wouldn't go so far as to say he thought he could control the President of the United States, but when he throws his support, specially against the majority, the bulk or the remainder of the organized labor movement, he can see something in it for him and his top officials, in my opinion. I am not saying that is money or graft, but some kind of preferment or advantage, let us say.

Senator McNAMARA. Influence of some type?

Mr. MORGAN. Yes.

Senator GOLDWATER. Just to sort of put the record straight, I might remind this gentleman and the questioner that I think 43 percent of the union members of this country voted for Mr. Eisenhower, so I think possibly that would indicate that the majority of the leadership of organized labor could have been wrong in the person that they backed.

The CHAIRMAN. Gentlemen, let us not get involved in that anymore than we have to.

May we proceed?

Senator MUNDT. Just cut it off on one side of the argument, Mr. Chairman.

The CHAIRMAN. If you want to argue about Eisenhower and Stevenson, and the Democrats and the Republicans, if that is what the committee wants to do——

Senator MUNDT. I have no desire to prolong it. I like to keep it balanced, that is all. There was a little political sting, and I am glad Senator Goldwater removed the barb.

The CHAIRMAN. The Chair has no objection to what anybody has said and will indulge the committee from here on. I was looking at the clock. I was trying to accommodate all of you.

Proceed.

Mr. KENNEDY. Mr. Morgan, was there any other incident at a later time regarding the teamsters that disturbed you at all?

Mr. MORGAN. Yes, there was an incident that puzzled me and gave me a great deal of concern in 1956. It still does puzzle me. I don't thoroughly understand it yet.

In July of 1956, I was asked to take a position on the campaign staff of Governor Adlai Stevenson for President, which I did, and as a consequence did not run for reelection as State chairman. I terminated

my office there on July 15. I had already been working for Mr. Stevenson for 2 weeks, and continued to work for him until after the convention, when my assignment was completed. I returned to Oregon and took on the job of doing some of the managing and particularly the finance work of the campaign for Governor, of State Senator Robert Holmes, who was elected Governor in November 1956.

I might say to start with, so we don't have to go back and do it, that Mr. Holmes' budget for the whole election was \$43,000. He was elected Governor on that figure. Approximately \$15,000 was deficit. At the present time, that deficit still remains at about \$9,000. That gives you the picture. There was a shortage of money. I don't know of a candidate that doesn't have a shortage of money.

But at the time I came back out to Oregon, he was concerned with meeting a particular item, which was his billboards all over the State, approximately a \$10,000 item. He had been having conversations with various people about this. This was sort of a confused report which was not clear to him, and which he related to me, that there was a man who might be able to locate \$10,000 for him. He was under the impression that this had something to do with reforming the liquor commission. I am speaking about Senator Holmes' opinion now.

Mr. KENNEDY. He said somebody had spoken to him that they had \$10,000 or could get hold of \$10,000, and that it was tied up in his reforming the liquor commission?

Mr. MORGAN. Yes. Somehow assume in the neighborhood of \$10,000 was available, having some relation to a reform in the liquor commission. I told him I thought this was odd.

He had been trying to reform the liquor commission in the State senate for 4 years, and it wasn't necessary to encourage him with money to get him to do that. I also told him I thought it odd that anyone would be overcome by civic virtue to the extent of \$10,000 when the liquor commission has been a continuous nuisance and problem for over 20 years.

So he told me where the information came to him from, and I said I would call the man, which I did—Mr. Jim DeShazor—and I would ask him about it. I had known Mr. DeShazor for a short period.

Mr. KENNEDY. That is James C. DeShazor, Jr.?

Mr. MORGAN. That is right. He is a small-business man. He has a plastics manufacturing plant in Portland. He had been active in 1954, had changed his registration, as I recall, to Democratic, had organized a small-business man's committee, and had worked, in general, for Democratic candidates, and was still interested.

In 1956, on the basis of the work which he did in 1954, when I was required to appoint a chairman for a small-business man's committee for the party in Oregon, at the request of National Chairman Paul Butler, I appointed Mr. DeShazor. I had seen him once or twice since the appointment, so I called him about this, and told him I heard about about this, and we were in a jam for money for those billboards, and what did he know about something that would help.

He told me to see a man named Matthew Spear.

Mr. KENNEDY. S-p-e-a-r?

Mr. MORGAN. Yes. I had met Mr. Spear a few months before through Mr. DeShazor. Mr. Spear had told me that he was a Republican but he wanted to help Democrats. He ran a beer distribution

company. I think I had had a 10 minute conversation with him in Mr. DeShazor's presence prior to this occasion.

So after that I had another conversation with Senator Holmes and told him that I still didn't make much sense out of this, and perhaps I had better call Spear and ask him to lunch, and talk things over with him and see what was in the wind.

So I did.

I called him and made an appointment for lunch with him. We went to a restaurant and had a long, leisurely lunch, a drink or two, and discussed things. He talked about 2 or 3 matters before he got around to the main point, all relating to the liquor business, and as it happened they were matters that I knew about before, and so they didn't add anything to what I knew.

Finally I asked him, "What is this about \$10,000 floating around, or some figure like that, that might be available for Holmes in connection with the liquor commission? What is the story behind it?"

You must remember this conversation took place nearly 6 months ago, about the middle of September. I will do my best to reproduce it verbatim, but that will be an imperfect job at best.

His response was, "Well, that money, I heard about it, that money comes from Beck and Brewster. Beck and Brewster are the source of that."

I said, "Do you mean the teamsters?", and he said, "Yes."

I said, "What on earth do they want in connection with the liquor commission?" He said, "They want a man appointed to the liquor commission."

I said, "What sort of a man?" He said, "I understand they want a teamster official appointed."

I said, "Well, that is fantastic. It is ridiculous. No governor in his right mind. Republican or Democratic, is going to appoint a teamster official on this or any other commission for 20 years after this scandal in Portland." And I think I added that this was a sample of their lack of judgment.

What they ought to be doing if they wanted something like that, would be to aim at a businessman under camouflage, or a lawyer, or some respected person, who had an unknown connection with them, but instead, as usual, they wanted to put one of their own officials on.

I told him it was an impossible thing. Then I said, "Why do they want a man on the liquor commission?"

By this time I was beginning to get interested because of my questions I asked Maloney. You will recall, when he ordered me to get Thornton out of the investigation of the liquor commission. So I asked the same question, "Why do they want a man on the liquor commission?"

The answer was that they wanted a man on the liquor commission because they had bargaining disputes and membership disputes with certain distilleries in the East. They were trying to sign up the employees of the distilleries in the East, and they wanted an arrangement whereby they could prevent liquor from certain distilleries being purchased and sold within a monopoly State like Oregon, not a drop within the boundaries, until a particular distillery signed up with the teamsters.

I suppose my jaw dropped open a little. I never heard that one or one like it before, and Mr. Spear said, "Well, I understand this is go-

ing on. It is being done. The rough stuff takes place a long way from the State where it happens, but it is going on."

I said, "I thought this was," I think I used the term, "industrial blackmail, and anybody who went near Senator Holmes or went into this office with a story like that would probably get thrown out." And I told Spear that I thought he oughtn't to do that, but to just let it lie with me. I went back to the campaign office and talked to Mr. Holmes about it, and his response was—you don't want profanity in the congressional record——

The CHAIRMAN. I believe you can leave that out.

Mr. MORGAN. He felt this was one we would not explore. I will put it that way. So it was left that way.

The CHAIRMAN. All right.

Mr. MORGAN. It was left that way. I think I may have talked to Mr. Spear again by telephone shortly afterward to tell him that, or perhaps the Governor did. I don't think I saw Mr. Spear again until some time in December. I have only seen him 2 or 3 times since.

I want to make it plain in telling about this incident. I said at the outset that I was puzzled about it then, and I still am. It can be construed in a number of ways, but I want to make it plain that Mr. Spear did not identify himself as a spokesman for Beck and Brewster, or state that he could go and get the money and deliver it at a certain time, or in any way ask me or the Governor to accept a proposition nor identify it as a proposition.

The CHAIRMAN. What was his interest in it?

Mr. MORGAN. My conclusion was, after it was over, that he had described a situation, which apparently he knew about, that could either be explored or not, and because of my two comments, one in the middle of the story and one at the end of it, I think he got a pretty clear notion that we did not want to explore this one at all.

The CHAIRMAN. In other words, if he was on an exploring expedition to get information from the source, he got it?

Mr. MORGAN. Yes. But on the other hand, I don't know conclusively that he was. He talked about 2 or 3 other situations, also affecting either beer or liquor matters, which I happen to have known about. They were existing legitimate grievances on the part of either distributors or producers, affecting the Oregon Liquor Control Commission.

I told him that that was interesting, that I knew about them, but under the regulations of the liquor control commission, even if those people wanted to participate in the campaign for the Governor, they are forbidden to do so, and I certainly wasn't going to go and ask them for a contribution.

So we just dropped it.

This matter was not the only thing he talked about, but this is what I got in response to the question of "What is this I hear about \$10,000 floating around that has something to do with the liquor commission?"

The CHAIRMAN. Do you have anything further, Mr. Morgan, that you can think of?

Mr. MORGAN. No, sir.

The CHAIRMAN. Are there any other questions?

Mr. Morgan, would you stand aside a moment.

Mr. Spear, come forward, please.

(Members present at this point: The chairman, Senators McNamara, Goldwater, and Mundt.)

The CHAIRMAN. Will you be sworn, Mr. Spear?

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SPEAR. Yes, sir.

TESTIMONY OF MANTON J. SPEAR

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. SPEAR. Manton J. Spear. I live at 4373 Northeast Wistaria Drive, Portland, Oreg. I am a beer distributor.

The CHAIRMAN. You have elected to appear without counsel?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. Are you under subpoena?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. You are not a volunteer?

Mr. SPEAR. I was given no opportunity to volunteer. I was subpoenaed.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. You are in the beer distributorship business now?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. How long have you been in the liquor business or beer business?

Have you been in the liquor business at all?

Mr. SPEAR. I have been an employee of a firm which was in the liquor business as contrasted to the beer business.

Mr. KENNEDY. What company was that?

Mr. SPEAR. That was the K. & L. Beverage Co. in Seattle, Wash.

Mr. KENNEDY. When were you with that company?

Mr. SPEAR. I went to work for that company at the time I was discharged from the Army in 1946.

Mr. KENNEDY. And you worked there for how long?

Mr. SPEAR. Until 1949.

Mr. KENNEDY. That is the K. & L. Distributors, in Seattle?

Mr. SPEAR. The firm that I worked for was the K. & L. Beverage Co., a part of the K. & L. Distributors.

Mr. KENNEDY. Who were the officers in that business?

Mr. SPEAR. Mr. Irving J. Levine, Dr. Grinstein, Dave Beck, Jr., and myself.

Mr. KENNEDY. Dave Beck, Jr.?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. Is Dave Beck, Jr., the son of Dave Beck who is international president of the teamsters?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. Do you know whether he is in this country or is he abroad with his father?

Mr. SPEAR. I do not know, sir.

Mr. KENNEDY. Do you know who the officers of that company are now, the K. & L. Distributors?

Mr. SPEAR. No, sir, I do not.

Mr. KENNEDY. The information we have from Dunn & Bradstreet, Mr. Chairman, is that the officers now are Irving J. Levine, president; Mrs. Dave Beck, vice president; Sally M. Levine, second vice president; Stanley M. Levine, secretary-treasurer.

So you have known Mr. Dave Beck for how long a period of time?

Mr. SPEAR. Mr. Kennedy, I was acquainted with Mr. Beck's son since the time that I went to work for the K. & L. Beverage Co., and I met Mr. Dave Beck, Sr., occasionally during the period of time of March 1946 until about June of 1949.

Mr. KENNEDY. You were here when Mr. Morgan described a luncheon that he had with you out at Portland, Oreg.?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. Would you tell us from what source was to come this \$10,000 that you were planning, or possibly planning, to make available to the Democratic candidate for governor, what source that money was coming from?

Mr. SPEAR. There was no \$10,000. There was no source for that money.

Mr. KENNEDY. Was the \$10,000 ever mentioned?

Mr. SPEAR. I am not positive that \$10,000 was mentioned. The entire situation was hypothetical, as far as I was concerned. I made no direct offer, and intended no such thing.

Mr. KENNEDY. What had you done originally about this that got this information to the governor? You had been talking about it before, had you?

Mr. SPEAR. Mr. Kennedy, the situation developed as a result of conversations with Mr. Jim DeShazor in connection with the small business development group, a semipolitical organization. Early in the campaign, Mr. DeShazor had invited me to participate and discuss with him what activities the group should take inasmuch as I had been interested and active several years before.

Mr. Holmes was invited. He was then senator. He had been nominated for governor. He was invited to appear or to be with the group that was conducting the small-business men's development, which was on a Saturday, at which time the need for funds was definitely pointed out.

I suggested that since I was not able to give much time to the work of the small business developments committee, I would give some funds—mine, my family's—to the development committee, which, incidentally, I did, and said that possibly I could get some assistance or help through friends.

Mr. KENNEDY. Did you mention \$10,000 at that time?

Mr. SPEAR. No, sir; I don't believe I mentioned \$10,000 at that time or any time.

Mr. KENNEDY. Do you know how Governor, then Senator, Holmes happened to mention that figure to Mr. Morgan?

Mr. SPEAR. No, sir; I don't.

Mr. KENNEDY. You do not have any explanation of that?

Mr. SPEAR. No, sir.

Mr. KENNEDY. Did you mention the \$10,000 later at this luncheon?

Mr. SPEAR. I don't recall, Mr. Kennedy, that I ever mentioned that sum of money.

Mr. KENNEDY. So Mr. Howard Morgan's testimony in that is not correct; is that right?

Mr. SPEAR. I didn't say Mr. Morgan's testimony is not correct. As Mr. Morgan pointed out, the entire thing took place 6 months ago. To the best of my belief and knowledge, I did not mention any sum of money specifically.

Mr. KENNEDY. You can remember 6 months ago. He remembered about the \$10,000. He remembered that specifically. He remembered that the now Governor had mentioned the fact that there was \$10,000 available. Did you mention \$10,000 prior to that time?

Mr. SPEAR. No, sir.

Mr. KENNEDY. Did you mention it at the luncheon?

Mr. SPEAR. As far as I can remember, I did not.

Mr. KENNEDY. Do you not think it is peculiar that Mr. Howard Morgan heard that from now Governor Holmes and also remembered your mentioning the figure at the luncheon?

Mr. SPEAR. No, sir; I don't think it is peculiar.

Mr. KENNEDY. Where do you think the figure came from, then?

Mr. SPEAR. I haven't the slightest idea, Mr. Kennedy.

Mr. KENNEDY. Go ahead. Explain.

Mr. SPEAR. About what?

Mr. KENNEDY. What happened then? You mentioned some amount of money that was available, did you? Did you get it from friends?

Mr. SPEAR. I did not mention any amount of money.

Mr. KENNEDY. Did you say you would get some more money from friends?

Mr. SPEAR. No, sir; I said that I would try. I thought there was need for the money. But I made no definite commitment at that time or any other time.

Mr. KENNEDY. Then what happened? What occurred?

Mr. SPEAR. In the course of conversations with Mr. DeShazor—at the time Mr. Holmes was present—I suggested that the small business developments committee had never been interested in State political affairs.

Mr. KENNEDY. At this time, you were a registered Republican?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. And your wife is also a registered Republican?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. Go ahead.

Mr. SPEAR. I still am.

Mr. KENNEDY. Go ahead.

Mr. SPEAR. That the affairs of the committee were best served, I felt, by continuing the work at national level. I pointed out the committee had been successful previously, in the campaign of Senator Neuberger, in which I had a very small part, and I felt that the issues involved in the campaign between the Secretary of Interior McKay and Senator Morse were much more important; that I had only personal interests in the State race. The situation was quite confused.

I had very little confidence, actually, that the Republican Party in the State of Oregon would ever be beaten, and felt that Senator Morse stood for issues that appealed to me and that the committee should support him.

Mr. KENNEDY. Were you contacted by Mr. Morgan, ultimately?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. You had a conversation with him at lunch?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. Will you relate that conversation?

Mr. SPEAR. Well, Mr. Kennedy, to the best of my ability, I will do it again. I thought we went over that.

Mr. KENNEDY. I did not understand that that was the conversation. Did you mention to him anything about the teamsters wanting an official on the liquor commission?

Mr. SPEAR. I said that I believed that it was common knowledge since about 1954 that somewhere along the line the teamsters had hopes of working with the then Governor Patterson to gain for themselves a man on the commission, and that it was more or less an open rumor that such—rather, an open secret—that such had been the case, and was reasonably well known in the industry.

Mr. KENNEDY. What was the reason that they wanted to gain control of the liquor commission?

Mr. SPEAR. Well, that, again, will be my guess, Mr. Kennedy.

Mr. KENNEDY. What reason did you give Mr. Morgan?

I will rephrase the question. What reason did you give Mr. Morgan as to why they wanted to gain control of the liquor commission?

Mr. SPEAR. To have control of the liquor commission poses many advantages.

Mr. KENNEDY. Yes?

Mr. SPEAR. Certainly I can think of many.

Mr. KENNEDY. What did you tell Mr. Morgan about it?

Mr. SPEAR. I mentioned to Mr. Morgan that the commission would be in position to buy merchandise from sources that were friendly and advantageous.

Mr. KENNEDY. Friendly to whom?

Mr. SPEAR. Friendly to the commission, the people that were doing the buying.

Mr. KENNEDY. Let me see if I can relate this. Did you say that there was a large sum of money available from the teamsters?

Mr. SPEAR. No, sir; I don't believe that I did make that statement.

Mr. KENNEDY. Well, what did you say about money from the teamsters being available?

Mr. SPEAR. I did not say that money was available from the teamsters.

Mr. KENNEDY. Then Mr. Morgan is not correct in his testimony?

He testified before this committee that he asked you what about this money that is available, he said it is a \$10,000 figure, and you then explained that "I hear that this \$10,000 can be received or gotten from the teamsters." And then he said to you "For what reason would they want to give \$10,000?"

Mr. SPEAR. That is approximately what was said, but you have failed to remember, Mr. Kennedy, that I told you initially there was no \$10,000, that I had no source of any connection with the people that you refer to as the teamsters, and that the entire thing was a hypothetical situation.

The CHAIRMAN. Let us get this straight.

Mr. SPEAR. Very well, sir.

The CHAIRMAN. Let us forget about \$10,000.

Mr. SPEAR. Right.

The CHAIRMAN. You did talk about a source of money that is available?

Mr. SPEAR. Not specifically.

The CHAIRMAN. Not specifically?

Mr. SPEAR. No, sir.

The CHAIRMAN. I thought that was the subject. You had gotten word to the Governor that there was some money available.

Mr. SPEAR. What I said, Senator, was that at the time of the meeting of the small-business men's committee, that I would see if there were friends who would be willing to help.

The CHAIRMAN. All right. You were talking about money.

Mr. SPEAR. Yes, sir.

The CHAIRMAN. You were talking about money for this candidate?

Mr. SPEAR. Pardon, sir?

The CHAIRMAN. You were talking about money for this candidate. Mr. Holmes, the candidate for governor?

Mr. SPEAR. No, sir. The discussion that I had was in reference to the small-business men's committee.

The CHAIRMAN. I am talking about when you were talking at lunch with Mr. Morgan.

Mr. SPEAR. Yes, sir.

The CHAIRMAN. You were talking about money?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. You were talking about money for this candidate for governor?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. And you were talking about the source of it being from the teamsters?

Mr. SPEAR. No, sir.

The CHAIRMAN. No?

Mr. SPEAR. No, sir.

The CHAIRMAN. What source did you tell him it was?

Mr. SPEAR. I had said it was some friends. I was much amazed when Mr. Morgan mentioned the names of Mr. Beck and Mr. Brewster. I haven't seen Mr. Beck to speak to him in over 9 years. I have never met Mr. Brewster.

The CHAIRMAN. I have some friends I have not seen for 9 years. That does not mean much. What was the source of money you were talking to him about?

Mr. SPEAR. There was no source of money. I had no way in the world—

The CHAIRMAN. How did it come up about getting a teamster official or union man on this board and the advantage of it?

Mr. SPEAR. Sir, were discussing a hypothetical situation.

The CHAIRMAN. It was not very hypothetical if they needed money, was it? That was not hypothetical in a campaign, for a candidate to need money. That is real, not hypothetical.

Mr. SPEAR. Well, certainly. If anyone needs money it is pretty real.

The CHAIRMAN. That is right. And that is what you were talking about.

Mr. SPEAR. Yes, sir.

The CHAIRMAN. That was the purpose of the meeting.

Mr. SPEAR. No, sir; I don't say that is the purpose of the meeting.

The CHAIRMAN. Mr. Morgan said the purpose of the meeting was to find out the source of that \$10,000. He called you up and made the engagement.

Mr. SPEAR. Yes, sir; he did.

The CHAIRMAN. It was in response to information that had gotten to the candidate for governor, whose campaign he was managing.

Mr. SPEAR. I have no idea of knowing where the sum of \$10,000 ever came into the conversation. If that sum were mentioned—

The CHAIRMAN. Let us forget about the \$10,000, and just call it money, whether it is \$10,000 or \$1,000 or \$5,000. The point I am trying to make is that there was a discussion about money for the campaign.

Mr. SPEAR. Yes, sir.

The CHAIRMAN. And you were the one that was supposed know the source of the money that would be available, were you not?

Mr. SPEAR. It turns out that I was given credit for a situation over which I had no control.

The CHAIRMAN. I am not saying that you had control over it. Were you the one that was supposed to know the source of the money that was available?

Mr. SPEAR. In the minds, evidently, of some people, that is true. It isn't a fact.

The CHAIRMAN. Was it in your mind?

Mr. SPEAR. No, sir, at no time.

The CHAIRMAN. In your conversations with Mr. Morgan, did you give him anything that would leave him that impression?

Mr. SPEAR. It is entirely possible that I said something that would give Mr. Morgan the impression that I could raise some money.

The CHAIRMAN. That is the reason he asked why they wanted a teamster or teamster official on that commission; is it not?

Mr. SPEAR. Sir, the money that I had intended or had hoped to be able to get in no way stemmed from any association or connection with anyone in organized labor.

The CHAIRMAN. Where did you intend to get it?

Mr. SPEAR. I have a number of friends in the business world.

The CHAIRMAN. Some of them teamster officials?

Mr. SPEAR. I hope I have friends among all classes of people.

The CHAIRMAN. But you had in mind, if you were talking about the money, the source. I do not know. Mr. Morgan says you told him the source of it was the teamsters, the teamster officials and the unions. Did you say that or not?

Mr. SPEAR. I don't recall that I said that at all.

The CHAIRMAN. Would you say you did not say it? Let us get down to it one way or another. You are the one that had the source in mind.

Mr. SPEAR. No, sir; I did not have the source.

The CHAIRMAN. Well, who did?

Mr. SPEAR. I am sure I don't know, sir.

Senator MUNDT. You had contacted the Governor about this matter through Mr. DeShazor, had you not?

Mr. SPEAR. Contacted the Governor about that? No, sir.

Senator MUNDT. You had contacted Mr. DeShazor about it?

Mr. SPEAR. No, sir.

Senator MUNDT. Do you know Mr. DeShazor?

Mr. SPEAR. Yes, sir, quite well.

Senator MUNDT. Did you ever talk to him about the money?

Mr. SPEAR. Yes, sir.

Senator MUNDT. What did you say to him?

Mr. SPEAR. Mr. DeShazor had invited me to participate in the small business development group, and I told him that I would be willing to contribute to that group. I further told him that I had friends who might be willing to give money.

The CHAIRMAN. Would you mind telling who those friends are if it was not the teamster folks?

Mr. SPEAR. That was no one specially, sir.

The CHAIRMAN. You had no one in mind?

Mr. SPEAR. That is absolutely right. I had no one in mind.

The CHAIRMAN. You had no one in mind that you could get money from?

Mr. SPEAR. That is right, sir.

The CHAIRMAN. You got down to the point of discussing the advantage of having a teamster on this commission?

Mr. SPEAR. The advantages of having a teamster on the commission?

The CHAIRMAN. Yes. You mentioned it awhile ago.

Mr. SPEAR. Senator, I am awfully sorry. You and I are at cross purposes.

The CHAIRMAN. I am a little tired. But I think I heard you say awhile ago something about the advantages. There are many advantages, you said, in having what?

Mr. SPEAR. In having a man that you could control on the liquor commission or any other commission.

The CHAIRMAN. A liquor commission?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. You were talking about that?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. And you talked about it that day with Mr. Morgan?

Mr. SPEAR. That is right.

The CHAIRMAN. How did you come to be talking about a man you could control on the liquor commission?

Mr. SPEAR. I made no attempts to say I could control a man on the liquor commission.

The CHAIRMAN. I did not say you could control him. I said you were talking about a control.

Mr. SPEAR. That was a hypothetical situation.

The CHAIRMAN. All right. What are the advantages that you thought about, and to whom did you expect the advantage to flow, about having some man on the liquor commission they could control?

Mr. SPEAR. I didn't expect them to flow to anyone, because I had no one specifically in mind.

The CHAIRMAN. What are the advantages that you can think of? You said awhile ago there were several. What are some of them?

Mr. SPEAR. It is my opinion that favoring certain brands of merchandise would result in certain advantages pecuniarily to people on the commission.

The CHAIRMAN. In other words, if the commission wanted to be dishonest, if they wanted to be corrupt, if they favored certain interests, it would be of great interest to them financially?

Mr. SPEAR. They have had several grand jury investigations on that subject.

The CHAIRMAN. I did not ask you about grand juries.

That is what you were implying?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. Of course, I guess anybody in public office, if they want to be crooked, can get some advantage by favoring some people. But let us get back. I am going to treat everyone alike, when they come up here and there is conflict in their testimony when they are supposed to know and answer facts.

I want to know whether the statement of Mr. Morgan is true, that you identified the teamsters or teamster officials with respect to the source of his money. Is that true or false?

Mr. SPEAR. Senator, if I mentioned the names of Mr. Beck and Mr. Brewster, it was not in connection with the source of the funds.

The CHAIRMAN. Why would you mention the names? In connection with what else?

Mr. SPEAR. In a hypothetical situation where a teamster group would have certain advantages, or any group.

The CHAIRMAN. That is the whole thing, that they wanted to get a man on that commission so they could get an advantage?

Mr. SPEAR. I have no way of knowing that, sir.

The CHAIRMAN. If you mentioned them, that is what you were talking about, was it not?

Mr. SPEAR. Certainly with no—no, sir. You are putting words in my mouth.

The CHAIRMAN. I do not want to. I am trying to get some out. I want to know whether you did or did not.

Mr. SPEAR. Senator, the discussion—

The CHAIRMAN. I do not know where the truth is. I am simply asking you, did you or did you not mention Beck and Brewster as a source of that money, and talk about the advantages, why they would need or desire a man on that commission?

Mr. SPEAR. I am sure that I did not say it.

The CHAIRMAN. You say you did not?

Mr. SPEAR. That Mr. Brewster or Mr. Beck would give me any money to give to anyone.

The CHAIRMAN. That is not the question. I am talking about naming them as a possible source of the money. He did not say that you said positively they would give the money. That is where you get your hypothetical in there.

Mr. SPEAR. Well, yes, sir, because the entire conversation was on that basis.

The CHAIRMAN. The entire conversation was on the basis that a source of money might be available.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. You were in the room when Mr. Morgan testified, were you not?

Mr. SPEAR. Yes, sir; I was, Senator Mundt.

Senator MUNDT. I want to know whether or not he was perjuring himself——

Mr. SPEAR. No, sir.

Senator MUNDT. Just a minute. I want to know whether he was perjuring himself when he said, voluntarily, that you told him a great story about how the teamsters would be interested in the campaign, in response to a direct question which he asked you, by reciting how certain eastern distilleries might not be employing union labor when the teamsters could club these distilleries into taking union men, by refusing to buy their liquor, in the monopoly-controlled liquor situation in Oregon. Did you describe such a set of circumstances to Commissioner Morgan?

Mr. SPEAR. Would you repeat the last part?

Senator MUNDT. Did you or did you not describe that set of circumstances to Commissioner Morgan, as he said you told him?

Mr. SPEAR. Yes; I believe that was pointed out as one of the advantages that would accrue.

Senator MUNDT. Mr. Morgan did not just come here and invent that conversation on your part, but you said that?

Mr. SPEAR. Yes, sir. Certainly.

Senator MUNDT. You said that because he had asked you why the teamsters would be interested in contributing to the campaign of Senator Holmes, and you gave that answer in response to that question; did you not?

Mr. SPEAR. Yes, sir. That was the answer, if Mr. Morgan asked me whether or not——

Senator MUNDT. He said he asked you, and you say now that you answered him.

Mr. SPEAR. Yes, sir.

Senator MUNDT. It must follow, then, like the night follows day, that prior to that you had told him that the source of your money was going to be the teamsters. I do not see why you equivocate on that. It must have been that you told him. Whether you said you could raise it or not is not the point. He did not say you said you could raise it. But you must have told him,

I understand that the teamsters will pay a substantial sum to this campaign provided they can put one of their officials on the liquor control commission.

Did you tell him that?

Mr. SPEAR. I told him that was my understanding, that previously in the Patterson campaign, the teamsters had participated in the campaign with the idea that they were to have a man on the commission.

Senator MUNDT. I am asking the question: Did you tell him it was your understanding that they would now contribute a substantial sum of money to Senator Holmes' campaign if they could name one of their officials on the liquor commission? Did you tell him that?

Mr. SPEAR. Senator Mundt, I don't recall.

Senator MUNDT. You were there for the purpose of discussing the campaigning then before you?

Mr. SPEAR. Yes; that is right.

Senator MUNDT. You were there to discuss the possibilities of raising money for Senator Holmes? That is the reason Mr. Morgan talked to you?

Mr. SPEAR. Yes, sir.

Senator MUNDT. So I do not see why you hesitate and dodge. It seems quite obvious in view of everything else you have said and what he has said, that you must have told him that you understood from some source or from general information or somewhere that the teamsters would make a contribution to the campaign of Senator Holmes, provided he would name a teamster official on the liquor commission.

Thereupon, Mr. Morgan said, "Why would they want an official on the liquor commission"? And then you recited what conceivably could be a reason. Is that not exactly what happened?

Mr. SPEAR. Yes, sir.

Senator MUNDT. Why did you not tell us, or tell the chairman, that?

Mr. SPEAR. I am very sorry. It was not presented to me that way.

Senator MUNDT. It sounded that way to me.

Mr. KENNEDY. In that connection, did you state to Mr. Morgan that the teamsters union might be interested in obtaining a teamster official or anyone who would be acceptable to the teamsters union, a place for them on the liquor commission?

Did you mention that subject to Mr. Morgan?

Mr. SPEAR. Yes, sir.

Mr. KENNEDY. Well, when our investigators interviewed you the first time, you denied having that kind of a conversation at all. Do you remember that?

Mr. SPEAR. I am not exactly positive. It is entirely possible. If their records indicate that, it is probably so.

Mr. KENNEDY. You denied having that conversation.

Mr. SPEAR. Yes, sir.

The CHAIRMAN. Who did the teamsters back?

Mr. SPEAR. I don't know, sir.

The CHAIRMAN. You do not know?

Mr. SPEAR. No, sir.

The CHAIRMAN. Do you have any information about that, Counsel?

Mr. KENNEDY. Mr. Chairman, the teamsters began by backing Holmes and shortly after this conversation took place, a meeting was held inviting all of the candidates they were backing and the only candidate that was left out was Mr. Holmes.

They invited his opponent to the meeting. Then, when they discussed it in the teamster paper the next day, they led with a headline that Mr. Holmes' opponent was the one that addressed the meeting, despite the fact that Senator Morse was there and I believe Senator Neuberger and several others.

The CHAIRMAN. That statement will not be considered as evidence, but we will probably tie it in later. Just at this point I thought maybe the witness knew. You do not?

Mr. SPEAR. No, sir.

Senator MUNDT. That leaves unanswered, Mr. Spear, only one question of substance in my mind. That is, from what source did you get your information to impart to Mr. Morgan as to the understanding that the teamsters would be interested in this contribution and in this appointment?

Mr. SPEAR. Senator Mundt, Mr. Holmes, or rather Mr. Morgan, mentioned that as early as 1954. It was rather generally known that

the teamsters had been supporting the then Governor Patterson and the supposition, the rumors, and the more or less open secret in the industry, was that there was to be recognition of teamster effort by some consideration on the liquor commission.

Senator MUNDT. Well, you would not have any new information to impart to Mr. Morgan that he had not given you previously.

Mr. SPEAR. No, sir.

Senator MUNDT. You say he told you that? He told us that you told him that. He would not have to take you out and buy you a lunch to tell you what he meant.

Mr. SPEAR. To keep the matter straight, Mr. Morgan did not buy a lunch.

Senator MUNDT. He could have bought it after he invited you to it, but that is immaterial.

Mr. SPEAR. Mr. Morgan told you, sir, that I gave him no information that he hadn't previously remembered, and I believe that you will recall that.

Senator MUNDT. Is that right? He told us that the information you gave him was fantastic, and those are his exact words. He said it was fantastic.

Mr. SPEAR. We are not talking about the same thing, Senator Mundt.

Senator MUNDT. We are talking about the same lunch?

Mr. SPEAR. Yes.

Senator MUNDT. What were we talking about? I thought it was the same thing.

Mr. SPEAR. No, sir.

Senator MUNDT. What are you talking about? I am talking about the conversation at the lunch.

Mr. SPEAR. Yes, sir. You asked me, I believe, about the source of funds, and I told you it was a rather open secret in the industry that the teamsters had supported the then Governor Patterson and that the reward for that support was rumored to have been consideration on the liquor commission.

I believe Mr. Morgan told you that, and that he said, also, in substance, that I had told him nothing that he hadn't known.

Senator MUNDT. He said that today?

Mr. SPEAR. I believe he did, sir.

Senator MUNDT. In this testimony?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. It was nothing he had not known about the teamsters having supported Patterson. He already knew that.

Senator MUNDT. Yes; that part, of course.

Mr. SPEAR. Yes.

Senator MUNDT. But he did not know anything about this hookup with the eastern distilleries and all of that. That was news to him.

Mr. SPEAR. Senator Mundt, you see that was not anything that was positive or definite.

Senator MUNDT. That is something that you related to which was news to him?

Mr. SPEAR. That was one of the advantages. That is a possibility. That is what could happen.

Senator MUNDT. That is right.

Mr. SPEAR. Possibly and maybe.

Senator MUNDT. That is what you described as a possible reason why the teamsters wanted to have their man there.

Mr. SPEAR. That is right.

Senator MUNDT. That was news to him?

Mr. SPEAR. That is right. I believe it was; I am not sure what Mr. Morgan said.

Senator MUNDT. Did Mr. Morgan subsequently call you and tell you that they were not going to ignore this any further?

Mr. SPEAR. Mr. Morgan told me at that very time that they were not interested in making any commitments. As a matter of fact, he prefaced our meeting that there were no commitments of any kind to be made, that he was in no position to make any commitments. He may have subsequently told me that, too, but he made it quite clear at the beginning of our conversation.

Senator MUNDT. Did he report back to you after his conversation with Senator Holmes, in which Senator Holmes confirmed the fact that he did not want to make a deal?

Mr. SPEAR. Yes, sir.

Senator MUNDT. He told you that?

Mr. SPEAR. Yes, sir.

Senator MUNDT. Did you go ahead then, on your own, to try to raise any money; or did you desist?

Mr. SPEAR. I made good on the commitment that I had made to the small-business men's groups, and that was the extent of the work that I did.

Senator MUNDT. Was that a group supporting Mr. Holmes? Was the small-business men's group a group supporting Mr. Holmes?

Mr. SPEAR. They supported him to the extent that he was for the major platforms that Senator Morse was working for, and many of the appearances of the candidates were on the same platform.

Senator MUNDT. Does that add up to an affirmative answer to my question? Did they support the candidacy of Senator Holmes?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. Are there any further questions?

Thank you very much, Mr. Spear.

The committee will stand in recess until 10 a. m., Tuesday morning.

(Whereupon, at 5:45 p. m., the hearing in the above-entitled matter was recessed to be reconvened at 10 a. m., Tuesday, March 5, 1957.)

(Members present at the taking of the recess were the chairman and Senators Mundt and Goldwater.)

APPENDIX

EXHIBITS

EXHIBIT No. 1

EXHIBIT No. 3

Revised 5000-- Sept. 19, '57
 Teamsters & Chauffeurs Union
 Local, No 690

\$30,000.00 Seattle , Wash., May 25, 1950

On demand ~~of record~~ without grace I promise

to pay to the order of Teamsters & Chauffeurs Union, Local No. 690

Thirty Thousand (\$30,000.00) DOLLARS,

in Lawful Money of the United States of America, of the present standard value, with interest thereon; in like Lawful Money, at the rate of three per cent. per annum from date until paid, for value received. Interest to be paid annually and if not so paid, the whole sum of both principal and interest to become immediately due and collectible at the option of the holder of this note. And in case suit or action is instituted to collect this Note or any portion thereof, I promise and agree to pay in addition to the costs and disbursements provided by statute

Dollars in like Lawful Money for Attorney's fees in said suit or action.

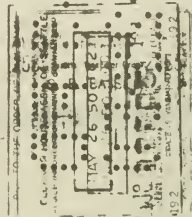
Due On demand 19

At Seattle, Washington

No. *J. J. Sauter*

EXHIBIT No. 4

No. 576	May 24 1950	Teamsters & Chauffeurs Union, Local No. 690	576
To Sam Bassett.		Spokane, Wash.	May 24 1950
Loan			\$30,000.00
	30,000.00		
	67,147.87		
		INSURED 30,000.00 DOLS 00 CTS	
		Teamsters & Chauffeurs Union Local No. 690	Dollars
		National Bank of Spokane	
		Spokane, Washington	
		By <i>E. C. White</i>	
		Secretary	



Sam Bassett

EXHIBIT No. 5

Handwritten: 10/16/51 10/16/51 10/16/51

Not--this data carried forward from original cash card.

REMARK	CASH	DEBIT	CREDIT	PAID	PAID FOR	AMOUNT PAID
	NO.	NO.	NO.	NO.	NO.	NO.
1. Date	Ck no	Net no	Amount	Balance	Remarks	
2. May 7th, 1951	476		\$1,000.00	\$1,000.00		
3. September 17, 1951		1001	1,000.00	2,000.00		
4. May 8th, 1951		1021	2,000.00	4,000.00		
5. January 16th, 1951		1022	2,000.00	6,000.00		
6. June 25th, 1951		1027	2,000.00	8,000.00		
7. June 21st, 1951		1028	2,000.00	10,000.00		
8. February 8th, 1951		1046*	2,000.00	12,000.00	Turn card*	
9.					*This last is	
10.					same as first	
11.					posting with	
12.					machine.....	
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EXHIBIT No. 5—Continued

[illegible]

EXHIBIT No. 6

Received Feb 6 44

ELIOT 1844

BASSETT, GEISNESS & VANCE

ATTORNEYS AT LAW
NEW WORLD LIFE BUILDING
(FORMERLY ALASKA BLDG)
SECOND AND CHERRY
SEATTLE 4

SAMUEL B. BASSETT
JOHN GEISNESS
J. DUANE VANCE
STEPHEN V. CAREY
GEORGE N. DAVIES

February 5, 1957

Mr. Ab Ruhl, Secretary
Teamsters Union Local 690
105 West Third Street
Spokane 4, Washington

Re: My promissory note

Dear Ab:

Richard Klinge has delivered to me a bank check in the amount of \$21,000.00 in payment of the balance due of principal and interest on his promissory note to me.

If Local 690 will accept this amount in full settlement of the balance now due the Union on my note, both principal and interest, I will accept Klinge's check and deliver to you forthwith my check in the amount of \$21,000.00.

Please advise me at your earliest convenience.

Sincerely yours,

SMB:y

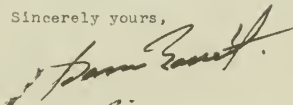


EXHIBIT No. 7

February 6, 1957

Mr. Sam Bassett
New World Life Building
Second and Cherry Streets
Seattle 4, Washington

Dear Sam:

Regarding your letter of February 5th in which you state that Mr. Klinge is willing to settle the balance on the note which was loaned to you for \$21,000, including the interest.

I am calling a meeting of the Executive Board of Local No. 690 for next Tuesday night, February 12th at which time I will take this matter up with the Board, as I am unable to make this decision by myself.

I will immediately notify you the following day if they accept the \$21,000 as settlement in full. You will hear from me by Thursday, February 14th.

With best wishes, I am

Very truly yours,

A. J. Ruhl, Secretary

TEAMSTERS' UNION, LOCAL NO. 690

AJR2hg

EXHIBIT No. 8

February 13, 1957

VIA AIR MAILPERSONAL

Mr. Sam Bassett
811 New World Life Building
Second and Cherry Street
Seattle 4, Washington

Dear Sam:

Again referring to your letter of February 5th, I took the matter regarding your note due this Local Union up with the Executive Board last night at our regular meeting.

They have agreed, we will accept a check for \$21,000, which covers the balance due on the note, plus the interest in full; so, if you will send the check to me, I will forward your note marked, "Paid in Full".

Very truly yours,

A. J. Ruhl, Secretary

TEAMSTERS' UNION, LOCAL NO. 690

AJR/hg

EXHIBIT No. 9

A special called meeting of the Executive Board of the Teamsters' Union, Temple Association, was called to order at 9:40 P.M., Thursday, December 8, 1953, by President Johnson. The minutes of the previous meeting were read and approved as read.

The order of business was a request to put out a loan of \$71,000 at 5 percent interest and that the borrower had the approval of Vice-President Brewster. It was moved and seconded that we allow the loan, provided the borrower pay for all legal expenses of drawing up papers necessary for such a transaction, and we get the first mortgage on certain properties that more than cover the value of the loan.

There being no further business, the meeting was adjourned at 9:55 P.M.

J. D. Whitney
Recording Secretary.

EXHIBIT No. 10

TEAMSTERS UNION TEMPLE ASSOCIATION		Spokane, Wash.		18		1952	
W. 105 THIRD AVENUE							
PAY TO THE ORDER OF		United Brotherhood				\$ 17000 00 x 4	
IN FULL		17000 DOLLARS				Dollars	
to The Old National Bank of Spokane		By		C. L. Hickney		Treasurer	
Spokane, Washington, 12		By		John		Secretary	

Alvady Nelson

RECEIVED
 DEC 13 5 59 PM '52
 U. S. DEPT. OF LABOR
 DIVISION OF LABOR RELATIONS
 OFFICE OF THE SECRETARY
 2000 K STREET, N.W.
 WASHINGTON, D.C.

EXHIBIT No. 11

MAIN OFFICE
THE OLD NATIONAL BANK OF SPOKANE
SPOKANE, WASHINGTON

CHECKS	DEPOSITS	DATE	NEW BALANCE
	BALANCE FORWARD	NOV 25 53	52,160.79 +
33.75 -		NOV 27 53	52,127.04 •
2.25 -		DEC 1 53	52,124.79 •
173.50 -		DEC 1 53	52,000.00 •
5.15 -	4.00	DEC 1 53	52,000.00 •
7.00 -		DEC 1 53	52,000.00 •
	225.00 +	DEC 11 53	52,222.88 •
	10.00 +	DEC 15 53	52,232.88 •
5.20 -		DEC 17 53	52,227.68 •
.00 -		DEC 18 53	52,227.68 •
17,000.00 -		DEC 21 53	35,227.68 •

THE LAST AMOUNT IN THE
COLUMN IS YOUR BALANCE

PLEASE EXAMINE BALANCE

VOUCHERS RETURNED

EXHIBIT No. 12

October 24, 1955

A special meeting of the Board of Trustees of the Teamsters' Union Temple Association was called to order at 8:00 P. M. Monday, October 24th.

The business to come before the Board was the matter of the loan to Sam Sellinas which shall become due and payable on December 17th, 1955.

After considerable discussion, it was regularly moved by Vincent Smith and seconded by Harry Brown that the Teamsters' Union Temple Association will extend the loan to Mr. Sam Sellinas for another two years, terms and conditions to be the same as shown by the note and mortgage. Motion carried unanimously.

Present at the meeting were the following Trustees:

E. G. Johnson	President
A. J. Ruhl	Secretary-Treasurer
Vincent Smith	
Harry F. Brown	
George Pohlman	
Thomas Casselberry	

Mr. J. E. Whitney, the seventh member of the Board, was absent due to his being in Seattle, but he had concurred in the motion proximable before leaving town.

This being the only matter to come before the Board, the meeting adjourned at 9:15 P. M.

A. J. Ruhl
A. J. Ruhl, Secretary-Treasurer

AJR/hg

EXHIBIT No. 13

June 5, 1937

Mr. William H. Sullivan
Columbia Building
Washington, D. C.

Dear Sir: May:

I am writing you to advise you that I have received the interest check on the \$2000.00 balance from the Central on this date, June 5th.

The check is in the amount of \$175.00 which is due June 15th, and the check number is No. 707 signed by Mrs. Sam S. Sellinas.

Very truly yours,

J. J. Kunt, Secretary

TEAMSTERS' UNION, LOCAL NO. 690

AJR/hg

EXHIBIT No. 14

TEAMSTERS' UNION TEMPLE ASSOCIATION
 Spokane - - - Washington
 ASSETS and LIABILITIES - December 31, 1955

ASSETS:

Cash in Old National Bank of Spokane.....	\$ 39630.76
Furniture and Fixtures at W 105 Third Ave.	
Chairs from Furniture Exchange.....	\$ 1629.16
Compensating Tax on Chairs.....	49.32
Furniture and Window Shades.....	332.99
Electric Speaker System.....	144.20
Chairs from Consolidated Frt.Lines.	590.18
Canvas for Floor.....	216.30
Linoleum.....	121.13
Electric Equipment.....	1115.83
Electric Water Heater.....	177.75
Air Conditioning Equipment.....	4261.55
Remodeling.....	1484.86
New Roof.....	1013.67
Public Address System.....	433.77
Carpet & Pad.....	206.93
Desk.....	170.21
Linoleum.....	116.83
Davenport.....	71.59
Drapes.....	78.59
Furniture & Fixtures from Tom Maloney	450.00
Water Heater.....	51.00
Carpet.....	262.67
Fixtures.....	125.90
Power Lawn Mower.....	141.45
New Fountain & Toilet.....	154.95
Desk.....	50.00
Trunk for Record Books.....	64.98
Rubber Mat.....	61.23
Electric Heaters.....	64.80.....\$ 13646.84
Land for Teamsters' Union Temple at	
W 105 Third Ave., Spokane, Wash.....	4950.00
Teamsters' Union Temple at W 105 Third Ave.,	
Spokane, Wash.....	46429.95
Inventory - December 31, 1955 - Coal.....	147.12
Prepaid Insurance.....	346.27
Loan - Joint Council Teamsters' #28.....	1950.00
Loan - Dudley Wilson, Attorney.....	17000.00
LOSS from Year 1941 Operations.....	57.79
LOSS from Year 1943 Operations.....	229.53
LOSS from Year 1945 Operations.....	673.50
LOSS from Year 1946 Operations.....	1036.12
LOSS from Sale of Temple at Pasco-1947.....	2007.97
LOSS from Year 1947 Operations.....	595.82
LOSS from Year 1948 Operations.....	2525.70
LOSS from Year 1949 Operations.....	2737.00
LOSS from Year 1950 Operations.....	2870.24
LOSS from Year 1951 Operations.....	1681.64
LOSS from Year 1952 Operations.....	5484.97
LOSS from Year 1953 Operations.....	1526.49
LOSS from Year 1954 Operations.....	381.56
LOSS from Year 1955 Operations.....	929.84
Total Assets.....	<u>\$146839.21</u>

EXHIBIT No. 15

WESTERN CONFERENCE OF TEAMSTERS

19-111
1251

I, B. of T. C. W. and H. of A.

Seattle 9, Wash., FEB. 18 1955 No. 8176
 PAY to the order of UNITED AIR LINES \$ 7112
 The sum of \$7100.17 CTS DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK
 SEATTLE, WASHINGTON

President

By [Signature] (M)
 By [Signature] Secretary-Treasurer

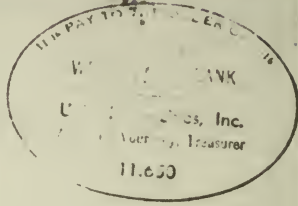


EXHIBIT No. 15—Continued

WESTERN CONFERENCE OF TEAMSTERS

I. B. of T. C. W. and H. of A.

Seattle 9, Wash.,

1955

No.

4089

PAY TO the

order of

UNION AIR LINES

The sum of \$2684 and 91 Cts

DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

8TH AND DENNY BLANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

President

John J. Sullivan

Secretary Treasurer

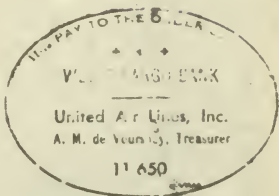
John J. Sullivan

EXHIBIT No. 15—Continued

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Requests to corrections with charges or credits should include the full name and flight number as shown on the transportation receipt or credit and be addressed to customer accounting department.

3939 South Grove Ave., Chicago 38, Illinois, telephone PO-Orleans 7-1008. See reverse side for explanation of city (cities) and airline codes.

THE NEW YORK PUBLIC LIBRARY

NOT PAYS TO FLY UNITED AIR LINES

Inquiries in connection with charges or credits should include the job form and ticket number on above as the transportation receipt or a card and be addressed to revenue accounting department
3919 South Clara Ave., Chicago 31, Illinois, telephone PO-604447 7-5000. See reverse side for advertisement of city (a-h-u) and no bus route.

UA 684 B REV 3-54 PRINTED IN U.S.A

EXHIBIT No. 16

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS, that I, Thomas E. Maloney, of the City and County of Spokane, State of Washington, in consideration of Ten (10) Dollars and other valuable consideration, receipt of which is hereby acknowledged, do hereby assign to J. P. McLAUGHLIN, of 906 First Avenue, Seattle, Washington, all my right title and interest in that certain conditional sales contract dated December 6, 1949 by and between LARRY L. RAIZNER and THOMAS E. MALONEY, as Vendors, and EARL W. PETERSON, as purchaser, said contract being filed with the office of the County Auditor of Spokane County, Washington being Document number 921826 A, and said contract being in escrow in the Washington Trust Company, in the City and County of Spokane, State of Washington.

IN WITNESS WHEREOF I have hereunto set my hand and seal in the City of Spokane, State of Washington on this 29th day of March, 1950.

Thomas E. Maloney

STATE OF WASHINGTON)
County of Spokane) ss.

I, the undersigned, a Notary Public in and for the above named County and State, do hereby certify that on this 29th day of March, 1950 personally appeared before me Thomas E. Maloney, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Edward C. Davis
Notary Public in and for the State
of Washington, residing at Spokane.

EXHIBIT No. 17

Tom Maloney.
5711.East.2nd.
Spokane.Wash.



Mr Jim Elkins.
1424.S.W.2nd.
Portland.Oregon.

"
Personal!"

Friend Jim,

Well here I am back at Spokane and I really had to shoot both Barrelle and when I connected Stan Terry with McCort that did it John talked to Croa- by for an hour and Jim if that kid lets John Sweeney down it is not right and it puts you and I right in the middle.About Two weeks from now I will get the Okay from Sweeney when I pick him and Frank Browster at the Airport here Sat- urday I will have that Malloy take him around to all the Big Freight lines and and Bakeries and have your man meet the men so they can go home and talk about meeting the next District Attorney.Now John wants him to go right in to Terry Shruk and he can mentions Johns name and in to Newberger and that woman Con- gressman and if you get that office opened I promise you that I will get some Financial Aid for the kid and get him elected.Everybody you talk to Jim says the kid is not aggressive enough and if he dont go out and work he will get beat.John Sweeney says the same thing you know as well as I know the kid sho- uld have followed that Sweeney appointment now it just makes four times as mu- ch work to get him back in the picture.I will be down their the ~~17th~~ 17th and will stay right their with you as a trouble shooter but I dont want no suite just a plain room with a shower as I want the Teamsters to mail out about Ten Thousand of them postere that your man showed me the kide family.And I will ~~stay~~ stay their while they are being mailed.What about the Mayor he told John poi- nt blank he wanted Langley.^{Jim} So ~~Jim~~ you got a lot of work to do and still be very very careful that no human finds out that you are working for this kid as according to Sweeney something come up the last few days when this kid ran against McCort the last time.I say it again please have that kid follow them other Democrats around whether the Central Labor Council indorsed McCort or not if he has the right man with some GUTS that will take him to them meetin- gs they have to hear him especially if Malloy and his brothers will take him

EXHIBIT No. 17—Continued

2

around when I get down their as this is no Bull — them Malloy Brothers have got a lot of Guts Believe me and they can get plenty of Votes for Langley. Jim dont leave John Sweeney down I dont want John to tell me that he just got a phone call from Portland and that Langley has not been around to any of Newbergers talks or other Democrats. By now I hope you have your committee set and ra ring to go. You know a few spots where Money can be picked up and get some of them Bumper Strips made until I get their and contact that fellow Brady anyone can call Sweeney at the Teamsters in Seattle to verify ~~xxx~~ anything I have said in this letter. Find out for me if Crosby contacted the Mayor today. United States Senator Warren Magnuson Speaks at a \$25.00 Democratic Dinner here if he goes to Portland I will show you how to get that kid some publicity as Sweeney had lunch with Maggie in Seattle today and I can talk to Magnuson so find out if Magnuson is going to Portland to talk for Newberger through Sweetland and he is another friend of Sweeneys and Langley should go right in to him and when Sweeney finds out that Langley is seeing these fellows it will make John proud of you. John told me again that Art Pratt is Stan Terrys man nomatter what anyone else. I guess you know after this election is over Mr John is going to straighten Mr Stan Terry man he is bitter against that guy. f some of them fellows that Langley contacts and uses Johns name it will make John happy as he then knows the fellow is working. When I told John that Langley is working hard and that he has his campaign quarters down town he just laughed and said who are you kidding. So dont fail John if Jim thats all I ask. And ~~xxx~~ you do what I suggested in the room he will win if not your best. Sweeney and Crosby are now in Sun Valley with the big Boss and Crosby wont be back until Monday to work so get busy on that Hagen so when Crosby comes back he has done some work. If everything is not working right please let me know as John blew his top last night he was on the phone for over and hour. He told me his phone Bill is around \$7 to \$8 hundred a month that is a fair phone bill but man he is a Tiger when he gets hot. Now you call me Saturday night if you want to come over here and see him.

Say hello to Fred Tom

EXHIBIT No. 17—Continued

Wen-10-6-54.

Friend Jim,

John Sweeney and Olyde Crosby are now at Sun Valley and will be together until Saturday. By the time Crosby comes back I hope to find that you are in full swing with that kid. I don't want Crosby to call Sweeney up and say how can we help Langley we won't help himself. I did not see Jimmy while I was in Seattle I might have got in an argument with him in regards to that all night Poker Game that is still going in the Caledonia Hotel and he let me go in to hook and get folded up in one night. John called me last night for me to at the Airport to pick him and Mr Brewster Saturday which I will. And John did ask me if Langley was covering all the Churches in Miltonmah county and I told him I would contact you in regards to it. With that office down ~~xxx~~ town Jim you can volunteer workers especially women that can hand them posters to the Priests and whatever you have to do. You know as well as I do that your Son In Law and Jalocurchio will want something as they are Dead with that Police Dept. in Seattle I learned that both Carroll and Callahan are hot. So I think if Murray comes down to see you this week end he should have Frank bring down a lot of them posters with Langley's name on it and I will have the Malloy Brothers put them up all over. You can't let no car with a King County license on it that is ammunition for McCort. I am going to dinner tonight with one of the owners of the race track he is a Greek and his name is George Manos and he and another Greek had this town for thirty years the ~~xxx~~ other Greek's name is Sam Pellinas. I understand that there are a lot of Greeks in Portland and they have money and they may help the cause with some loot. And I will see the Greek Priest up here and see if the Greek Churches ~~xxx~~ in Portland will help. As soon as them posters you showed me in Room 316 send a couple to John Sweeney. Sectary-Treasurer. Western Conference. Teamsters Building 552. Denny Way Seattle Washington. And ask him if he will have Crosby

EXHIBIT No. 17—Continued

2

mail them to all the Democers and I will follow it up as I will talk to Sweeney about it when he is over here with me for Two days and I will steam him up pretty good. But you and Fred got on the Ball I will do my part send them Posters to Crosby and Jim Hagen. Sweeney will be back in Seattle Monday and I am going to work on him to fly down to Portland and help that Kid. When Joe and I first went up to his house I told him that you would buy his house if Langley got elected ~~Y/Y~~ it didnt work in so good. But after we had dinner I kept right after him and when I told him that Stan Terry is pushing you around and that he had McCort he cancelled his trip to Vancouver. B.O. and boy he was a hot Irishman and he blew his top when he got Crosby on the phone he didnt care what the Central Labor Council did he wanted the Teamsters to endorse Langley and not go half way about it. So please send them Posters Immediately to Sweeney, Crosby and Hagen. Calocurchio has a printer in Seattle that he gets that stuff at Cost so get on the Ball. Let me know by Friday night what you have done so I can ~~Y/Y~~ tell Sweeney. Keep me posted and I will get some Breake name in Portland that will help with some money. Be seeing you. Get Langley on the Ball. I want to know by Friday night if he has contacted Shruk, Brady or Sweetland if not I will have Sweeney call Sweetland. Be seeing you.

Tom.

Tom Maloney.
3711 East 2nd.
Spokane, Wash.



Mr Jim Elkins.
1424 S.W. 2nd.
Portland, Oregon.

EXHIBIT No. 18

[illegible][illegible]

MORE, GOODS

ARE
BOUGHT
AND
SOLD
THROUGH
THE
Classified
Business
Directory
THAN BY
Any Other
Medium
on Earth

SPOKANE SAFE DEPOSIT & INVESTMENT CO.

CLORA M. HARTWEATHER, President, 1000 Wall Street
Olefin and Street, 1st Floor, Spokane, Wash.
NATHAN L. MOOREHEAD, Manager Real Estate Department
(Established 1897)
Tel. MADISON 4-4318
W. 418 Sprague Ave.

BUCHANAN CHEVROLET

3rd E. Wall

RI 7-7134

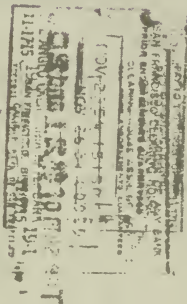
★ "A Buchanan
★ Deal Is The
★ Best Deal!"

Maland Robt B (Bonnie J) slsmn Shelley Mtrs hW
214 34th av
Malaney Colleen M telegr opr Pac Tel rE803 Nora av
Malano Robt mgr Alcorn Bob Auto Sales
Malawitz J A rN206 Washington
Malberg Jake rN220 Howard
Malby Don studt Kinman Business Univ r Elk Wash
Jas T (Lillie) hE2809 Hartson av
John apr A&A Pimbg rE2209 Hartson av
Leslie (Wilma) ship clk McKesson & Robbins hE
2104 Nebraska av
Wesley (Helen) opr Wash Water Power hE533
Rockwell av
Malcolm Cath R (wid Wayne D) rW2312 Dean av
Clifton D (L. Viola) mtee Old Union Stockyds r
Veradale Wash
Dora M (wid Walter) hE3424 Pacific av
Horace C (Minnie A) bldg contr W1412 9th av
apt 1 b do
Harry (Eliz M) ct reporter Superior Ct hW804
25th av
Thos H studt rW804 25th av
Malcom Keoneth G (Joan M) slsmn Genl Machy hW5330
Princeton pl
Malecha Jas F hig opr eng Fairchild Air Force Base r
5206 Post
Mary J kitchen wkr Sacred Heart Hosp r5211 Ce-
dar apt 8
Ruby G studt Court House rW1215 Mallon av
Malek Alma (wid Leonard) hN5903 Regal
John (Bertha) roofer Krueger Sht Mtl hE2934 Ro-
wan av
Max carp Albert P Boone rE313 Gordon av
Mallenke Arth H (Mona F) supt shop GNRy hE1619
20th av
Malerich Jos B (Imogene G) pntr Donn M Greif hE612
Sharp av
Ralph R (Ellen A) pntr Donn M Greif hN5307
Monroe
Maley Alva S (Margt J) mtee Fairchild Air Force Base
hE1810 Mallon av
Chas H Jan WU Telegr hS427 Cowley
Malhum Kay studt r5734 Lincoln
Malicki Lawrence E (Jo Ann) USAF h3320 South
Loop
Malico Carmine J (Virginia L) carrier PO hE725 36th
Virginia L Mrs case wkr State Dept Pub Assistance
hE725 36th av
Malikowski Stanley L (Ethel M) formn PTS hN5014
Oak
Malina Henry (Lucile K) lab Union Iron Wks hE823
Heroy av
Malinak Peter (Bernice L) lab Kaiser Alum & Chem
hE2903 Boone av
Sally Mrs dental asst Peerless Dentists r Trentwood
Wash
Malto Josephine opr Pac Tel rE548 Wellesley av
Maik Frank hN2818 Perry
Malikawa Tom pantrymn Davenport Hotel
Malkemus Victor H (Patricia A) USAF hE904 11th av
Maller C A rW324 1st av
Mallert Marguerite E Mrs clk McKesson & Robbins h
E8014 34th av
Mallery Cornelia Mrs hS1419 Madison
John D (Patricia) chf clk Standard Oil bS1518
Madison
Malley Lester J (Goldie) hN4418 Monroe
Mallon Apartments (Willard Griffith) W1830 Mallon
Rest Home (Jan B Pigott) W1304 Mallon av
Mallory Genevieve Mrs dental asst Dr Edwin L Jones
rW2207 Sinto av
Wm J (Enid I) mech Western Serv hS1202 Lacey
Mallow Mary I Mrs typ Fairchild Air Force Base h
W330 Dalton av
Malloy Charlie car chkr GNRy hE3108 Everett av
Mally B Lucas (Helen C) carp Western Fruit Exp h
E318 Mission av
Lester J (Goldie M) equip opr City Street Dept r
N4418 Monroe
Malm Leon V (Mildred K) slsmn Jensen-Byrd
Mildred K Mrs sten Spokane Bank for Cooperatives
Malmoe Bertha Jan Hutton Bldg rE12306 Portland av
Martha Jan Hutton Bldg rE12306 Portland av
Martin B (Gladya M) slsmn Intl Harv hE227 Gordon

MALMOE
Melvin R (Ivabelle) mech Hull-Rodell Mtrs r Oppor-
tunity Wash
Richd L (Bonnie L) driver Kaiser Alum & Chem hN
5024 Jefferson
Ronald M clk Albertson's Food Center rE227 Gordon
Malmquist Arth (Margt) pntr Davenport Hotel hW
2324 Dalton av
Carl A (Inland Odorite Co) hE1217 11th av
Edwin R (Hazel G) emp Mtr Sup hN4503 Hartley
Robt T mach Diamond Drill Contracting r Opportunity
Wash
Malmsten Harry E (Olive B) hW455 22d av
Oscar E (Amy) eng NPRy hW511 Columbia av
Malnati John B (Josephine) hE2719 Pacific av
Malne Don M (Lesagh) repr Tractor Training Serv hE
1106 20th av
Malo Eleanor V slwn Newberrys hW3406 Fairview av
Walter H (Eleanor V) plasterer Carl Hoffseth hW
3408 Fairview av
Malone Allie Mrs aide St Luke's Hosp hW315 River-
side apt 317
Claude A (Mae E) lab Naval Sup Depot hW1907
Mansfield av
Darlene Mrs tcr Pub Sch rW1003 25th av
Edna (wid Bert) W1025 9th av
Frances ofc sec The C M Fossett Co rW1622 8th av
Gaylord V (Lorraine) aide City Eng hN4827 Nelson
Georgia A Mrs bkpr Monroe hW724 17th av
Jack H (Evelyn A) slsmn Lawton Printing hE1227
39th av
John E (Georgia A; Monroe Hardware) hW724 17th
Mae E Mrs clk Ward's hE543 Princeton av
Max R stockmn David L Jones Wool Florist r5718
Custer
Michl B (Darlene) chem Pac Northwest Alloys r
W1003 25th av
Opal Mrs hW1607 Grace av
Osie L Mrs clk Wards hE543 Princeton av
Paul E (Frances A) mech Morrison Knudson Co h
W1622 8th av
Patricia J tech Sacred Heart Hosp rW1622 8th av
Philo O (Emma) cond GNRy h3312 Columbia cir
Richd B emp Roundup Gro r Greenacres Wash
Robt J (Myrtle M) mach Spokane Mach bE1520
Mallon av
Roderick M (Gertrude) hE3804 24th av
Rosa D (wid Henry) hE959 Hartson av
Steve W rW1021 1/2 Sprague av
Thos H (Osie L) tchr Pub Sch hE543 Princeton av
Timothy R studt rW1822 8th av
Wm (Sybel) clk PTS hE3703 6th av
Maloney Adrian L mgr PTS hN2206 Hemlock
Agnes rN28 Madison
Geo D (Helen E) emp Kaiser Alum & Chem hE504
Olympic av
Geo H hE1312 Montgomery
Geo R (Patricia L) USAF hS407 Ash apt 3
Gerald J (Jane) cond GNRy hE2927 Gordon av
Helen K clk in chge PO rE504 Olympic av
Jas A (Margt L) clk PTS hW2704 Broad av
MALONEY JOSEPH L (Anna M) Postmaster hW2124
5th Av, Tel Riverside 7-4618
MALONEY JUSTIN C (Geneva A), Lawyer 467 Empire
State Bldg E905 Riverside Av, Tel Madison
4-9229, hE883 Nora Av, Tel HUDSON 7-7960
Matthew J hE4834 Commerce av
Robt E (Helen E) hE1117 Providence av
Thos E (Iva B) organizer Teamsters Union hE3711
3d av
Wm (Cole K; General Placement Bureau) h
N4402 Hawthorne
Malony Walden L (Pearl B) consulting eng 324 Symona
bldg hW720 23d av
Malood Dorothy clk XL Cleaners rW1017 Garland av
Mary Mrs (Dotty Lyne Beauty Parlor) hW1017
Garland av
Malos Lloyd G (Lawanda) sec-treas Air Filter Sales &
Service Co of Spokane hW1011 15th av
Malotke Herman R (Lena) hE2219 Queen av
Malott Conner studt rS121 Wall
Douglas F (Marlin) millwkr White Pine Sash hW806
Spottford av
Leonard W (Myrtle C) lab Quickie Box hE4127
12th av

EXHIBIT No. 20B

PAY TO THE ORDER OF
 THE NATIONAL BANK
 HOTEL
 COMPANY



W.C.T. 11/15/54
 C.W.

11-11
 TEST

WESTERN CONFERENCE OF TEAMSTERS

SEATTLE 9, WASH.

Seattle 9, Wash., Nov 13, 1954 No. 7843

pay to the order of CYNDIC HOTEL - SE. \$212.00

The sum of \$212.00

DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SEATTLE AND OLYMPIA BRANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

by J. H. Baunister President
 in John J. Sweeney Secretary (H)

EXHIBIT No. 20C

9/17

Olympic Hotel
Registration Card

Tom Halmy

Name _____
Home Address *Spokane, Wash*
City _____ State _____
Room _____ Address _____

ESTS WITHOUT BAGGAGE ARE REQUESTED TO PAY IN ADVANCE

9/17

OLYMPIC HOTEL
NOV 5 3 11 PM
5411 1st Ave. S.E.
GEO. W. BROWN

EXHIBIT No. 21

ROOM 409	NAME MALONEY TOM SEATTLE WN.	81381	R.L.
MONTH of NOV 23 1954	ARRIVE DEPART 26 3	RATE 4.00	AMOUNTS including last night's
EXTRAS 25 2.00	200 12.00 127 2.00 127 6.00	26 5.00	
THH	75 87	FILE NUMBER	
OTHER EXTRAS—SEE OVER			

1066

REGISTRATION CARD

Nº 10792

2

ROOSEVELT HOTEL
PORTLAND OREGON

ACCOUNT NO. 81381

ROOM 409

RATE 4.00

DATE NOV 23 1954

CLERK R.L.

NAME Tom Maloney

STREET 552 - Danny Way

CITY South. Wash.

STATE

ROOM BACK ACCOUNT STARTED

BY BY

MONEY, JEWELS AND VALUABLES MUST BE DEPOSITED IN THE OFFICE SAFE.
OTHERWISE THE PROPRIETOR WILL NOT BE RESPONSIBLE FOR ANY LOSS.

FORM 100A, 100A-1, 100A-2, 100A-3, 100A-4, 100A-5, 100A-6, 100A-7, 100A-8, 100A-9, 100A-10, 100A-11, 100A-12, 100A-13, 100A-14, 100A-15, 100A-16, 100A-17, 100A-18, 100A-19, 100A-20, 100A-21, 100A-22, 100A-23, 100A-24, 100A-25, 100A-26, 100A-27, 100A-28, 100A-29, 100A-30, 100A-31, 100A-32, 100A-33, 100A-34, 100A-35, 100A-36, 100A-37, 100A-38, 100A-39, 100A-40, 100A-41, 100A-42, 100A-43, 100A-44, 100A-45, 100A-46, 100A-47, 100A-48, 100A-49, 100A-50, 100A-51, 100A-52, 100A-53, 100A-54, 100A-55, 100A-56, 100A-57, 100A-58, 100A-59, 100A-60, 100A-61, 100A-62, 100A-63, 100A-64, 100A-65, 100A-66, 100A-67, 100A-68, 100A-69, 100A-70, 100A-71, 100A-72, 100A-73, 100A-74, 100A-75, 100A-76, 100A-77, 100A-78, 100A-79, 100A-80, 100A-81, 100A-82, 100A-83, 100A-84, 100A-85, 100A-86, 100A-87, 100A-88, 100A-89, 100A-90, 100A-91, 100A-92, 100A-93, 100A-94, 100A-95, 100A-96, 100A-97, 100A-98, 100A-99, 100A-100

ROOSEVELT HOTEL
PORTLAND, OREGON

1954 NOV 23 AM 10:35

EXHIBIT No. 22A

COPY

1041 WALONEY THOMAS & CO

N CITY 71-26

N 62901 63010 Y 11/30 N

2704 ST ENGLISH LANE

FROM FOLIO

TO FOLIO



FRI N 62901

OLYMPIC HOTEL
SEATTLE, Washington

LOCAL Pages Calls	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	CHARGED		
								DATE	TO ROOM	NEW RATE

MEMO.	DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE	PICK-UP	ROOM NO.
	1 NOV 26 54	DOOR	* 8.00				L 1041
	2 NOV 26 54	DISC.	* 0.24		* 8.24	* 8.24	L -
	3 NOV 27 54	DOOR	* 8.00				L -
	4 NOV 27 54	DISC.	* 0.24				L -
	5 NOV 27 54	PHONE	* 0.30		* 16.78	* 16.78	L -
	6 NOV 28 54	DOOR	* 8.00				D -
	7 NOV 28 54	DISC.	* 0.24		* 25.02	* 25.02	D -
	8 NOV 29 54	DOOR	* 8.00				D -
	9 NOV 29 54	DISC.	* 0.24				D -
	10 NOV 29 54	PHONE	* 0.15		* 33.41	* 33.41	D -
	11 NOV 30 54	LIST	* 1.25				M 1041
	12 NOV 30 54	PHONE	* 1.20		* 35.86	* 35.86	M 1041
C.L. *3630	13 NOV 30 54	Chk		* 35.86	* 0.00		M 1041
	14						
	15						
	16						
	17						
	18						
	19						
	20						
paid o/c	21						
Western	22						
of 3 months	23						

REMARKS

2-2 Laundry in Seattle
at 1041 St. English Lane
See 7372

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE

CHARGE TO

ADDRESS

RECEIVED BY

PRINT OF RECEIPT AND CASH RECEIPT

EXHIBIT No. 22B

OLYMPIC HOTEL

THOMAS A. GILBERT, General Manager

No 63810 Y

Name

Glenn McIlwain

Street and Number

2704 S. 1st English Lane

City and State

Larchmont Parkington

Firm or Business Address

MATHONEY, THOMAS

CITY

1041 S 00th

TYPIST

SN

OLYMPIC HOTEL

ROOM CLERK

Nov 25 9 45 PM '54

ACCOUNT NUMBER

62901

Departure

OLYMPIC HOTEL

Nov 30

8 32 PM '54

CASHIER #1

These rooms will be available

M.

Cashier

Guests are hereby notified that the Olympic Hotel will not be responsible for Valuables, Money, Jewelry, Clothing, etc., unless the same are deposited in the safe.

HOTEL MULTNOMAH
Portland 4, Oregon
No. Q 75418

6/21
1941

5 JAN 2 1961

Portland 4. Oregon

No. Q 75418

LINE	DATE	DESCRIPTION	AMOUNT	BALANCE
1	DEC-6-54	ROOM	0.00	0.00
2	DEC-6-54	PHONE	0.00	0.00
3	DEC-7-54	ROOM	0.00	0.00
4	DEC-8-54	ROOM	0.00	0.00
5	DEC-8-54	PHONE	0.00	0.00
6	DEC-9-54	VALET	—	—
7	DEC-9-54	L'BIST	—	—
8	DEC-9-54	ROOM	0.00	0.00
9	DEC-10-54	ROOM	0.00	0.00
10	DEC-10-54	PHONE	0.00	0.00
11	DEC-11-54	L'BIST	—	—
12	DEC-11-54	L'BIST	—	—
13	DEC-11-54	L'BIST	—	—
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				

LAST BALANCE IS AMOUNT DUE UNLESS OTHERWISE INDICATED

BILLS DUE AND PAYABLE WHEN PRESENTED

EXHIBIT No. 23A—Continued

075A18	Mr. Tom Maloney	276
	Box 3711- East 2nd	5
	Expenses Week	
	From	
	Miss L. L. Smith	
	1001111 20 11/15/57, 1st receipted and not be expended for money, except as order relative order required in the rule provided for the	12

EXHIBIT No. 23A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTINOMAH

Mr. Maloney
Mr. Jones
Mr. Smith
Telephone No. 7216

Person _____

Cable or T.C. _____

Time Placed _____

Time Accepted _____

In Minutes _____

Charge _____

Charge _____

TOTAL CHARGE

Nº 5042

LONG DISTANCE
CHARGE

HOTEL MULTINOMAH

Date 2-11-51

Mr. Maloney

Room No. 336

Person _____

Telephone No. 6072

Person _____

Cable or T.C. _____

Time Placed _____

Time Accepted 12:35

In Minutes 20

Charge 4.30

Charge 43

Charge _____

TOTAL CHARGE

Nº 5214

EXHIBIT No. 23A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 12-11-54

Name Maloney

Room No. 336

Place Seattle

Telephone No. RA 7155

Person Personal call

Collect or T.C.

Time Placed

Time Accepted 1:20

Minutes 1

Charge 90

Tax 9

Service Charge

TOTAL CHARGE 99

OPERATOR
NUMBER

No 5216

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 12-11-54

Name Maloney

Room No. 336

Place Seattle

Telephone No. MA 6714

Person Evans

Collect or T.C.

Time Placed

Time Accepted 1:25

Minutes 3

Charge 90

Tax 9

Service Charge

TOTAL CHARGE 99

OPERATOR
NUMBER

No 5217

EXHIBIT No. 23A—Continued

DATE 5 30 12/5

See Footnote

HOTEL MULTNOMAH
Portland & Oregon

FROM FOLIO
TO FOLIO

No. Q 75418

DATE	DESCRIPTION	CHARGES	CASH	BAL DUE	REMARKS
1 DEC-6-54	ROOM	5.00			0336
2 DEC-6-54	PHONE	0.45		5.45	0 - 0
3 DEC-7-54	ROOM	5.00		10.45	0 - 0
4 DEC-8-54	ROOM	5.00			0 - 0
5 DEC-8-54	PHONE	0.15		15.60	0 - 0
6 DEC-9-54	VALET	2.75		18.35	0336
7 DEC-9-54	L'DIST	1.05		19.40	E - 33
8 DEC-9-54	ROOM	5.00		24.40	A - 0
9 DEC-10-54	ROOM	5.00			0 - 0
10 DEC-10-54	PHONE	0.30		29.70	0 - 0
11 DEC-11-54	L'DIST	0.92			0336
12 DEC-11-54	L'DIST	0.05		35.42	0336
13 DEC-11-54	L'DIST	0.97		36.41	0336
14 DEC-11-54	FRAND			0.00	E - 0
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

75418

REMARKS

Chg to J. J. SWEENEY

552

GUEST'S SIGNATURE

CHARGE

ADDRESS

APPROVED

STL

HOTEL MULTNOMAH

Portland 4, Oregon

No. Q 75745

DATE	DESCRIPTION	CHARGES	CREDITS	BAL DUE	PICK-UP	ROOM NO.
DEC-7-54	RESTA	20.00		20.05		
DEC-7-54	ROOM	13.00				
DEC-7-54	PHONE	0.15		32.00		
DEC-8-54	RESTA	7.00				
DEC-8-54	—	1.50		41.00		
DEC-8-54	LOIST	2.37		43.37		
DEC-8-54	LOIST	1.98		45.35		
DEC-8-54	ROOM	7.00				
DEC-8-54	PHONE	0.60		53.45		

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Handwritten: Mr. D. J. ...
 1003001
 535
 1003001

LAST BALANCE IS AMOUNT DUE UNLESS OTHERWISE INDICATED

BILLS DUE AND PAYABLE WHEN PRESENTED

EXHIBIT No. 23B—Continued

DATE	DESC.	FOLIO	CHARGES	CREDITS	BALANCE
			BALANCE BROUGHT FORWARD		
10 5 PM		757.45	53.45		53.45
<div> <div> RESTR. RAD. PO OUT L. D. TKT. FWD. MTG. ENT. STD. </div> <div> RESTAURANTS —RADIO —PAID OUT —LONG DISTANCE —TICKETS —FORWARD —MEETING —ENTERTAINMENT —BARTENDER </div> <div> HOTEL MULTNOMAH PORTLAND 4, OREGON AT. 7441 </div> <div> TEL. TELEGRAM. PTR. SEV. LDY. PA. PO. ADJ. CKR. </div> <div> —TELEPHONE —TELEGRAM —PORTER —SEVERAGE —LAUNDRY —PUBLIC ADDRESS SYSTEM —PAID —ADJUSTMENT —CHECK ROOM GIRL </div> </div>					

EXHIBIT No. 23C

WCT

$$\begin{array}{r} 1521 \\ \hline 190112 \end{array}$$

1251

REPLACEMENT OF TIMBERS

DATE JAN 18 10 No 8081
PRICE \$9.16

THE 2001 \$ 8000 86 cts.

WESTERN CONFERENCE OF TEAMSTERS

LUTHER AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

John J. Swiney

ALL PRICES GUARANTEED
LOWEST POSSIBLE
ON ORDERED MERCHANDISE

JAN 22 55 07005

1914
SEATTLE, WASH.
FEDERAL RESERVE BANK OF THE UNITED STATES

EXHIBIT No. 24A

OLYMPIC HOTEL

THOMAS A. GILDENBLEVE, Manager

NO 66689 Y

ACCOUNT NUMBER

N 66666

OLYMPIC HOTEL

Departure Dec 13 9 29 PM '54

CASHIER #1

These Receipts are available

M.

Tom Maloney

Name

3711 East 2nd

Street and Number

Spokane, Wash.

City and State

Firm or Business Address

Mr. E. O. H. Y. Tom
3711 East 2nd
Spokane, Wash.

150 1000-11

Dec 11 5 31 PM '54

OLYMPIC HOTEL

TYPIST

SN

Arrival

ROOM CLERK

Guests are hereby notified that the Olympic Hotel will not be responsible for Valuables, Money, Jewelry, etc., unless the same are deposited in the safe.

COPY

550 WALNUT TON 6-58
W 200 W 12-11
N 66644 66600 Y12-14 SN
3711 EAST 2ND

FWD FWD

SAT N 66666

OLYMPIC HOTEL
SEATTLE, Washington

LOCAL PHONE CALLS	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	CHANGED RATE	TE. ROOM	NEW RATE
MEMO	DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE	PICK-UP	ROOM NO.		
	1	DEC 11-54 ROOM	****	* 6.50			AA -550		
	2	DEC 11-54 MISC.	**** TAX	* 0.20		6.70	AA -		
	3	DEC 12-54 L'DIST		* 0.30		7.00	H -550		
	4	DEC 12-54 L'DIST		* 1.25		8.25	CL -550		
	5	DEC 12-54 L'DIST		* 1.70		9.95	CL -550		
	6	DEC 12-54 ROOM	****	* 6.50			D -		
	7	DEC 12-54 MISC.	**** TAX	* 0.20			D -		
	8	DEC 12-54 PHONE	****	* 1.80		18.45	D -		
	9	DEC 13-55 L'DIST		* 0.50		18.95	LL -550		
	10	DEC 13-55 L'DIST		* 0.50		19.45	LL -550		
	11	DEC 13-55 L'DIST		* 1.25		20.70	LL -550		
	12	DEC 13-55 L'DIST		* 1.40		22.10	LL -550		
	13	DEC 13-54 ROOM		* 3.75			E -		
	14	DEC 13-54 MISC.		* 0.10			E -550		
	15	DEC 13-54 PHONE		* 1.95		27.40	E -550		
	16	DEC 13-54	ChcAc		* 27.40	0.00	E -550		
	17								
	18								
	19								
	20								
	21								
	22								
	23								
	24								

REMARKS

CHARGE TO

JOHN SWEENEY

TRANSFERS -

55 - DENNY WAY

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE

CHARGE TO

ADDRESS

APPROVE BY

EXHIBIT No. 24B—Continued

[illegible]

WE SINCERELY APPRECIATE YOUR PATRONAGE AND STRIVE TO MERIT ITS CONTINUANCE

Accounts Payable When Rendered
THE OLYMPIC HOTEL
SEATTLE

EXHIBIT No. 24B—Continued

725 BILKLEY JUN 6 50

V 12-11

N 66666 6666 112-18 30

5711 EASE 2ND



N 66666

OLYMPIC HOTEL
SEATTLE, Washington

MEMO	DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE
1	DEC 11 54	ROOM ****	* 6.50		
2	DEC 11 54	MISC. **** TAX	* 0.20		* 6.70
3	DEC 12 54	L'DIST	* 0.30		* 7.00
4	DEC 12 54	L'DIST	* 1.25		* 8.25
5					* 9.95
6	DEC 12 54	ROOM ****	* 6.50		
7	DEC 12 54	MISC. **** TAX	* 0.20		
8	DEC 12 54	PHONE ****	* 1.00		* 18.45
9	DEC 13 55	L'DIST	* 0.50		* 18.95
10	DEC 13 55	L'DIST	* 0.50		* 19.45
11	DEC 13 55	L'DIST	* 1.25		* 20.70
12	DEC 13 55	L'DIST	* 1.40		* 22.10
13	DEC 13 54	ROOM	* 3.25		
14	DEC 13 54	MISC.	* 0.10		
15	DEC 13 54	PHONE	* 1.95		* 27.40
16					
17					
18					
19					
20					
21					
22					
23					
24					

We appreciate your patronage and trust
that our service will merit its continuance.

BILLS DUE AND PAYABLE WHEN RENDERED
PLEASE RETAIN THIS STATEMENT

EXHIBIT No. 25A

OLYMPIC HOTEL

THOMAS A. GILDERLEVE, Manager

No. 70081 Y

TYPIST

 PA
 Approval

Name <i>Tom McLaughlin</i>	
Street and Number <i>3711- East 2nd</i>	
City and State <i>Apoken Wash</i>	
Firm or Business Address	

ACCOUNT NUMBER

N 7183

OLYMPIC

Departure

8 01 AM '55

2 or 3 days

These Rooms will be available

Guests are hereby notified that the Olympic Hotel will not be responsible for Valinables, Money, Jewelry, Clothing, etc., unless the same are deposited in the safe.

Cashier

EXHIBIT No. 25B

COPY

NO. 1225 100 6 30
 1225 100 6 30
 1225 100 6 30

FROM FOLIO

TO FOLIO



N 71285
 MCN
 OLYMPIC HOTEL
 SEATTLE, Washington

LOCAL POST CALLS	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	CHANGED		
								DATE	TO ROOM	NEW RATE
MEMO										
	1	JAN-3-55	VALET							E -8.6
	2	JAN-3-55	VALET							E -8.6
	3	JAN-3-55	VALET							E -8.6
	4	JAN-3-55	VALET							E -8.6
	5	JAN-3-55	VALET							E -8.6
	6	JAN-3-55	ROOM	0000				12.37	12.37	E -8.6
	7	JAN-3-55	TISC.	0000 TAX						AA -
	8	JAN-3-55	PHONE	0000				20.57	20.57	AA -
	9	JAN-4-55	ROOM	0000						AA -
	10	JAN-4-55	TISC.	0000 TAX				27.27	27.27	AA -
	11	JAN-4-55	LODIST							11 -8.6
	12	JAN-4-55	LODIST					34.37	34.37	11 -8.6
	13	JAN-5-56	TELE.					35.42	35.42	E -8.6
	14	JAN-5-56	LODIST					37.02	37.02	E -8.6
	15	JAN-5-56	ROOM	0000						DO -
	16	JAN-5-56	TISC.	0000 TAX						DO -
	17	JAN-5-56	PHONE	0000				44.17	44.17	DO -
	18	JAN-6-55	Chca					44.17	0.00	11 -8.6
	19									
	20									
	21									
	22									
	23									

cf 4068
 Sent to
 John Deane
 Western Conference of
 Trans. & Com. 552. Deane, way
 City.

REMARKS

TRANSFER TO CITY LEADER

GUEST'S SIGNATURE T.M.

CHARGE TO Tom Deane

ADDRESS

APPROVED BY

Page of The National Cash Register Co. DITON, GALT

EXHIBIT No. 25B—Continued

RECEIVED JAN 6 50
 11:00 AM JAN 7 2-7090



N 71285

OLYMPIC HOTEL
 SEATTLE, Washington

MEMO		DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE
	1	JAN-3-55	VALET	★ 1.55		
	2	JAN-3-55	VALET	★ 3.09		
	3	JAN-3-55	VALET	★ 3.09		
	4	JAN-3-55	VALET	★ 1.55		
	5	JAN-3-55	VALET	★ 3.09		★ 12.37
	6	JAN-3-55	ROOM 0000	★ 6.50		
	7	JAN-3-55	MISC. 0000 TAX	★ 0.20		
	8	JAN-3-55	PHONE 0000	★ 1.50		★ 20.57
	9	JAN-4-55	ROOM 0000	★ 6.50		
	10	JAN-4-55	MISC. 0000 TAX	★ 0.20		★ 27.27
	11	JAN-4-55	L'DIST 0000	★ 1.40		
	12	JAN-4-55	L'DIST 0000	★ 5.70		★ 34.
	13	JAN-5-55	RELG.	★ 1.05		★ 35.42
	14	JAN-5-55	L'DIST	★ 1.60		★ 37.02
	15	JAN-5-55	ROOM 0000	★ 6.50		
	16	JAN-5-55	MISC. 0000 TAX	★ 0.20		
	17	JAN-5-55	PHONE 0000	★ 0.45		★ 44.17
	18					
	19					
	20					
	21					
	22					
	23					
	24					

We appreciate your patronage and trust
 that our service will merit its continuance.

BILLS DUE AND PAYABLE WHEN RENDERED
 PLEASE RETAIN THIS STATEMENT

EXHIBIT No. 25B—Continued

REFERENCE NO.	DATE	ITEMS	NO.	CHARGES	CREDITS	PAY LAST AMOUNT IN THIS COLUMN
		PREVIOUS BILL				114.42 +
4068	MAY 695	RM AC	71,208	44.17		158.59 *
	JAN 20 55	CSH			114.42	44.17 *
4273	JUN 21 55	RM AC	74,894	65.19		109.36 *
					FORWARDED	

WE HUMBLLY APPRECIATE YOUR PATRONAGE AND STRIVE TO MERIT ITS CONTINUANCE

*Accounts Payable When Rendered***THE OLYMPIC HOTEL**

SEATTLE

WALNEY 16 SEATTLE
 16 RATE 6.50
 NOTE

HOTEL MULTNOMAH
 Portland & Oregon
 Phone Folio To Folio No. 85602

LINE	DATE	DESCRIPTION	AMOUNT	PAID	RECEIVED	REMARKS
1	JAN 29-55	FRANK	199.89	199.89	199.89	D-11
2	JAN 29-55	L'DIST	0.55			D-11
3	JAN 29-55	L'DIST	1.98	202.42	202.42	D-11
4	JAN 29-55	L'DIST	0.94	203.36	203.36	E-11
5	JAN 29-55	L'DIST	1.27	204.63	204.63	E-11
6	JAN 29-55	ROOM	6.50			D-11
7	JAN 29-55	PHONE	0.60	211.73	211.73	D-11
8	JAN 30-55	L'DIST	1.65	213.38	213.38	E-11
9	JAN 30-55	ROOM	6.50			D-11
10	JAN 30-55	PHONE	0.45	220.33	220.33	D-11
11	JAN 31-55	VALET	2.00	222.33	222.33	A-11
12	JAN 31-55	L'DIST	0.55	222.88	222.88	E-11
13	JAN 31-55	ROOM	6.50			D-11
14	JAN 31-55	PHONE	0.60	229.98	229.98	D-11
15	FEB-1-55	PAID	2.25	232.23	232.23	E-11
16	FEB-1-55	L'DIST	1.49	233.72	233.72	E-11
17	FEB-1-55	L'DIST	0.83	234.55	234.55	E-11
18	FEB-1-55	ROOM	6.50			D-11
19	FEB-1-55	PHONE	0.45	241.50	241.50	D-11
20	FEB-2-55	PAID	241.50	0.00		E-11
21						
22						
23						
24						

REMARKS: 85602 BILL ENTIRE ACCT TO JOINT COUNCIL OF TEAMSTERS 1020 3RD AVE CITY

TRANSFER TO CITY LEDGER

APPROVED BY

EXHIBIT No. 26A—Continued

CITY LEDGER

1955

JOINT COUNCIL OF TEAMSTERS #37
 1020 THIRD AVE. N.E.
 PORTLAND, OREGON

DATE	DESC.	FOLIO	CHARGES	CREDITS	BALANCE
55	FEB 2 FV	856. 24	241.50		241.50
	FEB 26 P'D			241.50	0.00
956	FEB 12 FV	663.24	13.82		13.82
	MAR 23 56 PD			13.82	0.00

FORM 500-55

HOTEL MULTNOMAH
 PORTLAND, OREGON

EXHIBIT No. 26A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-27-55

Name Maloney

Room No. 411

Place Sth. Wa.

Telephone No. Hally 4737

Person

Collector or T.C.

Time Placed

Time Accepted 10:00

Time M. 8

Toll Charge 1.25

Tax 13

Service Charge

TOTAL CHARGE

1.38

OPERATOR
H. W. S.

Nº 9634

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-28-55

Name Maloney

Room No. 411

Place Seattle

Telephone No. MA 0027

Person

Collector or T.C.

Time Placed

Time Accepted 9:52

Time M. 10

Toll Charge 2.05

Tax 21

Service Charge

TOTAL CHARGE

2.26

OPERATOR
H. W. S.

Nº 9663

EXHIBIT No. 26A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

1-21-55
 411
 Seattle
 Mar 6 7:10

6:20
 10
 385
 21

TOTAL CHARGE 2.40

No 9721

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

1-21-55
 411
 Seattle
 Telephone No. Alder 0811

Time Passed
 Time Accepted 11:19 AM

2

1

5

TOTAL CHARGE 2.40

No 9767

EXHIBIT No. 26A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-29 1935

Malcom

No. 411

Olympia

Telephone No. 24363

Room ay

Collect or T.C.

Placed

Time Accepted

12:05 a

12

Charge

1.80

18

Total Charge

TOTAL CHARGE

2.98

HOTEL
MULTNOMAH

No 9768

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-29 1935

Malcom

No. 411

Leak

Telephone No. Kelly 4737

Room

Collect or T.C.

Placed

Time Accepted

10:53 a

4

Charge

85

09

TOTAL CHARGE

9.4

No 9789

EXHIBIT No. 26A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

1-29-33

Maloney

411

Spokane

827116

Collect or T C

Time Placed

Time Accepted

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

1-30-33

Maloney

411

Spokane

827116

Person

Collect or T C

Time Placed

Time Accepted

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

Charge

No. Minutes

TOTAL CHARGE

1.27

No. 9521

TOTAL CHARGE

.65

No. 9539

EXHIBIT No. 26A—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-31-55

Name Maloney

Room No 411

Place Seattle

Telephone No Old 1447

Person

Collector T.C.

Time Placed 6:50

Time Accepted 6:50

No. Minutes 1

Toll Charge 50

Tax 5

Service Charge

TOTAL CHARGE 55

OPERATOR
NUMBER

No 9962

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 2-1-55

Name Maloney

Room No 411

Place Spokane

Telephone No KE-333

Person

Collector T.C.

Time Placed 6:50

Time Accepted 6

No. Minutes 6

Toll Charge 135

Tax 14

Service Charge

TOTAL CHARGE 149

OPERATOR
NUMBER

No 75

EXHIBIT No. 26A—Continued

CHARGE	
DATE 11/11/35	
NAME Mr. Conroy	
Room No. 411	
Room Sp. 100	
Telephone No. KE-7116	
Person	
Collect or T.C.	
Time Placed	
Accepted 715P	
3	
Room	75
Tax	08
Service Charge	
TOTAL CHARGE	83
OPERATOR	
12	
NO	89

EXHIBIT No. 26B

16 RATE 6.50

NOTE

HOTEL MULTNOMAH

Portland, Oregon

FROM FOLIO 081722

TO FOLIO 085502

No. 0 84079

DATE	EXPLANATION	CHARGE	PAID	BALANCE
JAN 22-55	BAR	138.85	138.85	199.89
JAN 22-55	ROOM	6.50	145.35	145.35
JAN 23-55	ROOM	6.50	151.85	151.85
JAN 23-55	ROOM	6.50	158.35	158.35
JAN 24-55	ROOM	6.50	164.85	164.85
JAN 24-55	ROOM	0.45	165.30	165.30
JAN 25-55	ROOM	6.50	171.80	171.80
JAN 25-55	ROOM	0.60	172.40	172.40
JAN 26-55	ROOM	1.49	173.89	173.89
JAN 26-55	ROOM	6.50	180.39	180.39
JAN 26-55	ROOM	0.75	181.14	181.14
JAN 27-55	ROOM	1.00	182.14	182.14
JAN 27-55	ROOM	1.38	183.52	183.52
JAN 27-55	ROOM	6.50	190.02	190.02
JAN 27-55	ROOM	1.65	191.67	191.67
JAN 27-55	ROOM	6.50	198.17	198.17
JAN 27-55	ROOM	6.50	204.67	204.67
JAN 28-55	ROOM	1.75	206.42	206.42
JAN 28-55	ROOM	2.26	208.68	208.68
JAN 28-55	ROOM	2.26	210.94	210.94
JAN 28-55	ROOM	6.50	217.44	217.44
JAN 28-55	ROOM	1.65	219.09	219.09
JAN 29-55	ROOM	199.89	0.00	0.00

REMARKS: BILL TO JOINT COUNCIL OF TRANSFERS 1020 3RD AVE CITY

TRANSFER TO CITY LEADER

CHARGE TO: 080000000000

APPROVED BY: [Signature]

EXHIBIT No. 26B—Continued

WALONEY TOM
RATE 0.50SEATTLE
1/16

HOTEL MULTNOMAH

Portland 4 Oregon

454079 No

JAN 12-55 BOARD	—	• 55.53	• 55.53	• 55.53	D 411
JAN 12-55 ROOM	0000	• 6.50			D - •
JAN 12-55 PHONE	0000	• 1.50	• 63.53	• 63.53	D - •
JAN 13-55 ROOM	0000	• 6.50			A - •
JAN 13-55 PHONE	0000	• 0.60	• 70.63	• 70.63	A - •
JAN 14-55 ROOM	0000	• 6.50			D - •
JAN 14-55 PHONE	0000	• 0.30	• 77.43	• 77.43	D - •
JAN 15-55 LBIST	—	• 1.65	• 79.08	• 79.08	B 411
JAN 15-55 ROOM	0000	• 6.50			D - •
JAN 15-55 PHONE	0000	• 0.45	• 86.03	• 86.03	D - •
JAN 16-55 ROOM	0000	• 6.50			D - •
JAN 16-55 PHONE	0000	• 0.90	• 93.43	• 93.43	D - •
JAN 17-55 ROOM	0000	• 6.50	• 99.93	• 99.93	D - •
JAN 18-55 ROOM	0000	• 6.50	• 106.43	• 106.43	D - •
JAN 19-55 LBIST	—	• 0.72	• 107.15	• 107.15	F 411
JAN 19-55 LBIST	—	• 1.87	• 109.02	• 109.02	F 411
JAN 19-55 ROOM	0000	• 6.50			D - •
JAN 19-55 PHONE	0000	• 0.30	• 115.82	• 115.82	D - •
JAN 20-55 LBIST	—	• 0.83	• 116.65	• 116.65	D 411
JAN 20-55 ROOM	0000	• 6.50			A - •
JAN 20-55 PHONE	0000	• 0.60	• 123.75	• 123.75	A - •
JAN 21-55 LALET	—	• 4.25	• 128.00	• 128.00	F 411
JAN 21-55 LALET	—	• 4.35	• 132.35	• 132.35	F 411
JAN 21-55 ROOM	0000	• 6.50	• 138.85	• 138.85	D - •
JAN 22-55 ROOM	0000				D - •

24

81722 XXXXXXXX BILL TO
JOINT COUNCIL OF TEAMSTERS
1020 3RD AVE CITY

• 0.00

EXHIBIT No. 26C

HOTEL MULTNOMAH

Portland & Oregon

JAN-6-55	VALET	—	• 1.25	• 1.25	• 1.25	E -
JAN-6-55	LIST	—	• 2.30	• 3.56	• 3.56	0411
JAN-6-55	ROOM	0000	• 6.90			A -
JAN-6-55	PHONE	0000	• 1.90	• 11.56	• 11.56	A -
JAN-7-55	LIST	—	• 0.72	• 12.28	• 12.28	E -
JAN-7-55	ROOM	0000	• 6.90			D -
JAN-7-55	PHONE	0000	• 0.30	• 19.08	• 19.08	D -
JAN-8-55	LIST	—	• 0.72	• 19.80	• 19.80	E -
JAN-8-55	LIST	—	• 0.72	• 20.52	• 20.52	E -
JAN-8-55	ROOM	0000	• 6.90			D -
JAN-8-55	PHONE	0000	• 1.90	• 28.52	• 28.52	D -
JAN-9-55	LIST	—	• 0.95	• 29.07	• 29.07	E -
JAN-9-55	ROOM	0000	• 6.90			D -
JAN-9-55	PHONE	0000	• 0.45	• 36.02	• 36.02	D -
JAN-10-55	ROOM	0000	• 6.90			D -
JAN-10-55	PHONE	0000	• 0.45	• 42.97	• 42.97	D -
JAN-11-55	LIST	—	• 0.95	• 43.96	• 43.96	E -
JAN-11-55	LIST	—	• 1.21	• 45.17	• 45.17	E -
JAN-11-55	LIST	—	• 1.05	• 46.22	• 46.22	0411
JAN-11-55	LIST	—	• 1.76	• 47.98	• 47.98	A -
JAN-11-55	ROOM	0000	• 6.90			D -
JAN-11-55	PHONE	0000	• 1.05	• 55.53	• 55.53	D -
JAN-12-55	—	FRAC		• 55.53	• 0.00	D -

Q 80516

REMARKS

BILL TO: UNITED COUNCIL OF

TEAMSTERS

1020 3RD AVE CHIC

EXHIBIT No. 26C—Continued

**LONG DISTANCE
CHARGE**
HOTEL MULTNOMAH

Date 1-2-52

M. Loney

No. 411

Seat

phone 35-97

Mercury

Port or T.O.

Placed

Accepted 920

Minutes 12

Charge 2.20
21

TOTAL CHARGE 2.31

PRINTED
NAME

No 7002

**LONG DISTANCE
CHARGE**
HOTEL MULTNOMAH

Date 1-2-52

Maloney

No. 411

Steel

phone 210-1747

Port or T.O.

Placed

Accepted 820

Minutes 3

Charge 6.57

TOTAL CHARGE 6.57

PRINTED
NAME

No 7046

EXHIBIT No. 26C—Continued

LONG DISTANCE CHARGE
HOTEL MULTINOMAH

Date 1-2-54 19 54

Name Maloney
411

Room 111

Telephone No. 3926

Person Maloney

Collect or T.C. Maloney

Time Placed 9:31 a

Time Accepted 1

Min. 1

Toll Charge 15

Tax 17

Service Charge 0

TOTAL CHARGE 72

OPERATION NUMBER 1

DATE AND TIME 1 N^o 7175

LONG DISTANCE CHARGE
HOTEL MULTINOMAH

Date 1-8-54 19 54

Name Maloney
411

Room 111

Telephone No. 3926

Person Maloney

Collect or T.C. Maloney

Time Placed 10:18 a

Time Accepted 10:18 a

Min. 1

Toll Charge 65

Tax 27

Service Charge 0

TOTAL CHARGE 92

OPERATION NUMBER 7

DATE AND TIME 7 N^o 7179

EXHIBIT No. 26C—Continued

LONG DISTANCE CHARGE HOTEL MULTNOMAH		LONG DISTANCE CHARGE HOTEL MULTNOMAH	
Date	1-9-55	Date	1-11-55
Name	Malone	Name	Malone
Room No.	41	Room No.	411
Room	30411	Room	30411
Telephone No.	414-7	Telephone No.	51322
Person		Person	English
Object or T.C.		Object or T.C.	
Time Placed		Time Placed	
Time Accepted	10:55	Time Accepted	10:55
Minutes		Minutes	3
Charge	50	Charge	90
Charge	5	Charge	09
Charge		Charge	
Charge		Charge	
TOTAL CHARGE	55	TOTAL CHARGE	99
Registration Number		Registration Number	
No.	7279	No.	7526

EXHIBIT No. 26C—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-11-1955

No.

Telephone

Person

Collector T.C.

Time Placed

Time Accepted

Minutes

Charge

T

Charge to

TOTAL CHARGE

No. 7528

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-11-1955

No.

Telephone

Person

Collector T.C.

Time Placed

Time Accepted

Minutes

Charge

T

Charge to

TOTAL CHARGE

No. 7590

No. 7590

EXHIBIT No. 26C—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-15 1953

Name Maloney

Room No 411

Place Olympia

Telephone No 2-56-1

Person J. Maloney

Collect or T.C.

Time Placed

Time Accepted 8.06

No Minutes 9

Toll Charge 1 60

Tax 16

Service Charge

TOTAL CHARGE

1 76

OPERATOR
NUMBER 2

No 7628

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-15 1953

Name Maloney

Room No 411

Place Spokane

Telephone No KE 7116

Person

Collect or T.C.

Time Placed

Time Accepted 5 45

No Minutes 3

Toll Charge 1 50

Tax 15

Service Charge

TOTAL CHARGE

1 65

OPERATOR
NUMBER 2

No 8149

EXHIBIT No. 26C—Continued

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-17-55

Name Maloney

Room No. 411

Place Seattle

Telephone No. 7370

Person Sweeney

Collector T.C.

Time Placed 5:50

Time Accepted 11

No. Minutes 7

Toll Charge 1.70

Tax .17

Service Charge

TOTAL CHARGE

No 8633

LONG DISTANCE
CHARGE

HOTEL MULTNOMAH

Date 1-19-55

Name Maloney

Room No. 411

Place Seattle

Telephone No. 7370

Person Sweeney

Collector T.C.

Time Placed 5:50

Time Accepted 11

No. Minutes 7

Toll Charge 1.70

Tax .17

Service Charge

TOTAL CHARGE

OPERATOR

NUMBER

6

No 8641

EXHIBIT No. 26C—Continued

LONG DISTANCE CHARGE	
HOTEL MULTNOMAH	
Date	1-19 1955
Name	McLoney
Room No	411
City	Seattle
Telephone No	FL-9988
Person	Desmond
Collector T.C.	
Time Placed	
Time Accepted	11:55p
No. Minutes	2
T. Charge	75
Tax	08
Service Charge	
TOTAL CHARGE	83
OPERATOR'S NUMBER	12
No	8757

EXHIBIT No. 26C—Continued

Hotel Multnomah		The Broadway	
Room No.	Name	Room No.	Name
40516	Samson Melway	411	W. J. ...
	W. J. Sealthe	412	W. J. ...
	Freight and Teamster	413	W. J. ...
	Western Hotel Credit Card No.	414	W. J. ...

NOTICE TO GUEST: The management will not be responsible for money, jewelry or other valuables unless deposited in the vault provided for this purpose.

EXHIBIT No. 26D

[illegible]

$\text{To } F_{\text{OL}} = 0$ 

N 73787
MON
OLYMPIC HOTEL
SEATTLE, Washington

[illegible]

MEMO.	DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE	PICK-UP	ROOM NO.
	1 JAN 17-55	ROOM	5.25				17-636
	2 JAN 17-55	KISC. TAX	0.16		5.41	5.41	1A - 0
	3 JAN 18-55	PHONE	0.15		5.56	5.56	1B - 636
	4 JAN 18-55	PAID		5.56	0.00		1B - 636
	5						
	6						
	7						
	8						
	9						
	10						
	11						
	12						
	13						
	14						
	15						
	16						
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	21						
	22						
	23						
	24						

REMARKS

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE

CHARGE TO

ADDRESS

APPROVED BY

EXHIBIT No. 27—Continued

OLYMPIC HOTEL

THOMAS A. GILDERSEY, Manager

N^o 73854 Y

TYPIST

PD

Arrival

ACCOUNT NUMBER

N 73787

Departure

Name	
Tom Maloney	
Street and Number	
3741- East 7 th Ave	
City and State	
Spokane Wash	
Firm or Business Address	
Hearst	

OLYMPIC HOTEL
JUN 17 1 09 PM '35
ROOM CLERK

Guests are hereby notified that the Olympic Hotel will not be responsible for Valuables, Money, Jewelry, Clothing, etc., unless the same are deposited in the safe.

OLYMPIC HOTEL
JAN 18 11 35 AM '55

CASH

These Rooms will be available

M.

Cashier

EXHIBIT No. 28A

P.O. 1 10000 L. M.

OLYMPIC HOTEL

THOMAS A. GILDER, General Manager

Name <i>Tom McIntyre</i>	
Street and Number <i>3714 - East 7th Street</i>	City and State <i>Minneapolis</i>
Firm or Business Address <i>Minneapolis</i>	

No. 80684 Y

ACCOUNT NUMBER

N 83643

Departure

OLYMPIC

FEB 24

6 34 PM '55

These Rooms will be available

M.

Cashier

TYPIST

55

Arrival

13

FEB 24

10

Guests are hereby notified that the Olympic Hotel will not be responsible for Valuables, Money, Jewelry, Clothing, etc., unless the same are deposited in the safe.

MILWAUKEE 70.00

BANK 70.00

620 7.00

EXHIBIT No. 28B

COPY

920 HILANEY TOM 7 00
LA SPRIANE UN 2/22
H 80413 80679 Y 23 ON
5711 E 2ND TEAMSTERS

FROM FOLIO

TO FOLIO



TUES N 83643
OLYMPIC HOTEL
SEATTLE, Washington

LOCAL PHONE CALLS	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	CHANGED		
			11	11 11 11				DATE	TO ROOM	NEW RATE

MEMO		DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE	PICK-UP	ROOM NO.
FEB 24-55 CHIC -	1	FEB 22-55	ROOM	★ 7.00				AA -920
	2	FEB 22-55	MISC. TAX	★ 0.21		7.21	7.21	AA -
	3	FEB 23-55	ROOM	★ 7.00				AA -
	4	FEB 23-55	MISC. TAX	★ 0.21				AA -
	5	FEB 23-55	PHONE	★ 0.30		14.72	14.72	AA -
	6	FEB 24-55	REST	★ 1.25		15.97	15.97	L -920
	7	FEB 24-55	PHONE	★ 1.35		17.32	17.32	L -920
CL 4721	8	FEB 24-55	ChicAc		★ 17.32	0.00		L -920
	9							
	10							
	11							
	12							
	13							
	14							
	15							
	16							
	17							
	18							
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	21							
	22							
	23							
	24							

REMARKS

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE

CHARGE TO

ADDRESS

Tom Miley
Western Center Teamsters
520 Denny Way
City
ATTN: John Swenson

EXHIBIT No. 28B—Continued

MEMO		DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE
	1	FEB 22-55	ROOM 0000	* 7.00		
	2	FEB 22-55	WISC. 0000 TAX	* 0.21		* 7.21
	3	FEB 23-55	ROOM 0000	* 7.00		
	4	FEB 23-55	WISC. 0000 TAX	* 0.21		
	5	FEB 23-55	PHONE 0000	* 0.30		* 14.72
	6	FEB 24-55	ROOM 0000	* 1.25		* 15.97
	7	FEB 24-55	PHONE 0000	* 1.30		* 17.32
	8					
	9					
	10					
	11					
	12					
	13					
	14					
	15					
	16					
	17					
	18					
	19					
	20					
	21					
	22					
	23					
	24					

We appreciate your patronage and trust
that our service will merit its continuance.

BILLS DUE AND PAYABLE WHEN REQUESTED
PLEASE RETAIN THIS STATEMENT

EXHIBIT No. 28C

THE
Olympic

SEATTLE'S *Nationally Notable* HOTEL

SEATTLE 11 WASH.

• WESTERN CONF TEAMSTERS
862 CENNY WAY
SEATTLE WASH

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR REMITTANCE

5 AMOUNT REMITTED:

REFERENCE NO	DATE	ITEM	NO	CHARGES	REBITS	PAYABLE AMOUNT IN THIS COLUMN
4575	FEB 1955	RM		174.52		109.36 +
4721	FEB 1955	RM	03643	17.32 -		283.88 +
233.88						301.20 +

FORWARDED

FORMCRAFT

WE SINCEPLY APPRECIATE YOUR PATRONAGE AND STRIVE TO MERIT ITS CONTINUANCE

Accounts Payable When Rendered

THE OLYMPIC HOTEL
SEATTLE

EXHIBIT No. 28C—Continued

W.C.T.U

DATE	ITEMS	NO.	CHARGES	CREDITS	PAY LAST AMOUNT IN THIS COLUMN
PREVIOUS BILL					
1912	12345	123	174.52		109.36 +
1912	12345	123 82,643	17.32		203.80 *
					301.20 *
				#8274 3-11-15	
				FORWARDED	

WE SOLEMNLY APPRECIATE YOUR PATRONAGE AND STRIVE TO WORTHY ITS CONTINUANCE

Accounts Payable When Rendered

THE OLYMPIC HOTEL
SEATTLE

EXHIBIT No. 28D

WESTERN CONFERENCE OF TEAMSTERS

L.S. of T.C.W. and R. of A.

Seattle 9, Wash.

1955 No. 8274

AMERICAN HOTEL

301 20

The sum of \$301 and 20 cts

DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

WITH THE SEAFARERS' UNION

SEATTLE FIRST NATIONAL BANK

SEATTLE, WASHINGTON

John J. Sweeney

THIS CHECK IS MADE OF AND FOR THE SUM OF \$301.20
CLEARING THROUGH ASSETS OF C.B.A. 11

1955 JUN 10

RECEIVED BY THE BANK OF AMERICA
1955 JUN 10

RECEIVED BY THE BANK OF AMERICA
1955 JUN 10

EXHIBIT No. 29

COPY

1001 DENNEY TOL 7 00
 90 PORT BAY 4/13
 N 97355 98185 T 4/16 PO
 5711 EAST 2 E

FROM FOLIO

TO FOLIO



N 97355
 TUES
 OLYMPIC HOTEL
 SEATTLE, Washington

LOCAL PHONE CALLS								CHANGED		
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	RATE	TO ROOM	NEW RATE
MEMO	DATE	EXPLANATION	CHARGES	CREDITS	BAL. DUE	PICK-UP	ROOM NO.			
	1	APR 13-55	L'DIST	• 1.20	• 1.20	• 20	I 1001			
	2	APR 13-55	ROOM	• 7.00			70 - •			
	3	APR 13-55	MISC.	• 0.21			70 - •			
	4	APR 13-55	PHONE	• 0.75	• 9.16	• 9.16	70 - •			
	5	APR 14-55	L'DIST	• 0.70	• 9.86	• 9.86	# 1001			
	6	APR 14-55	L'DIST	• 1.15	• 11.01	• 11.01	LL 1001			
	7	APR 14-55	ROOM	• 7.00			70 - •			
	8	APR 14-55	MISC.	• 0.21			70 - •			
	9	APR 14-55	PHONE	• 1.35	• 19.57	• 19.57	70 - •			
	10	APR 15-55	L'DIST	• 0.55	• 20.12	• 20.12	I 1001			
	11	APR 15-55	ROOM	• 7.00			70 - •			
	12	APR 15-55	MISC.	• 0.21			70 - •			
	13	APR 15-55	PHONE	• 1.50	• 28.83	• 28.83	70 - •			
	14	APR 16-55	PHONE	• 0.30	• 29.13	• 29.13	K 1001			
	15	APR 16-55	PAID		• 29.13	• 0.00	K 1001			
	16									
	17									
	18									
	19									
	20									
	21									
	22									
	23									
	24									

REMARKS

TRANSFER TO CITY LEDGER

OK DBH WESTERN COM OF TEAMSTERS
 JOHN SWEENEY 552 DENNEY WAY

GUEST'S SIGNATURE

CHARGE TO

ADDRESS

APPROVED BY

EXHIBIT No. 29—Continued

OLYMPIC HOTEL

THOMAS A. GILBERT, E.E., Manager

94185

ACCOUNT NUMBER

卷之五

Departure

CASHIER #2

These 11,675 were

Isidore

Q11

History of Business

Tom Maloney
Name
3911 - East 2nd.
Street and Number
Portland, Oregon
City and State

卷之十

[Faint handwritten notes or bleed-through from the reverse side]

18

102

[illegible]

EXHIBIT No. 30

Date 11-23-55 **PORTLAND TOWERS REGISTRATION CARD** **No. 1641**

I hereby apply for an apartment in the PORTLAND TOWERS on terms stated herein. There are (number) 2 people who will occupy this apartment.

NAME Tom Maloney with J.P. McLaughlin

FORMER ADDRESS Teamsters Union Home

CITY Phil Grogg City of Portland Oregon

CAR 1954 Make 1954 Year

House No. 100 State OR Color OR

Estimated Departure Date _____

Apartment Number 1754

Rental Starting Date 2-10-56

Phone Charge 1 Electric 1

Garage 1 Fuel 1

Lease Deposit _____

Cleaning Deposit _____

Will Lease _____

The management reserves the right to refuse service to anyone. The management will not be responsible for accidents, injuries, or loss of property.

0034 1: 1, 27-28
Cable
003412

EXHIBIT No. 31

Mr Tom Maloney Apt. 1014
 Mr Joe McLaughlin
 From Oregon Laundry linen supply
 June 1st. 1955
 12 full size sheets
 1/2 pillow cases
 6 bath towels
 6 hand towels
 Loaned from Park Plaza, to be
 cleaned and returned:
 2 blankets
 2 pillows

APARTMENT NUMBER 1014 PARK PLAZA APARTMENTS
 1969 S.W. Park Avenue
 Portland 1, Oregon
 Broadway 7485
 Date May 31st 1955
 Name Mr Tom Maloney and Joe McLaughlin
 Address 1014 1/2 Holladay Street Phone _____
 Business Agent Lyndora Wilson How Long _____
 Address 3rd & Holladay Street Phone La. 8171
 Type of Business _____ Title _____
 Make of Car Chev. 151 Maloney License No. _____
 Number in Family 21 Nationality Americans
 Bank Account . . . Savings (✓) Washington Trust, Spokane
 Checking (✓)
 Present Landlord _____
 References Mr Clyde Crosby Employer

Apartment Number 1014 Expected Date of Arrival June 1st
 Rent . . . Furnished (✓) Date of Arrival _____
 Unfurnished (✓) 97.50
 Garage Rental _____ Number of sets of keys issued Will want 2 sets
 Electricity Charge 9.75 Remarks Will pay on Security
 Cleaning Charge 12.50 deposit starting 2nd month
 Last Months Rent _____ May want to see to it
 TOTAL 113.75 9.05
 Amount Paid 102.00
 BALANCE DUE 4.75 July 31/55
 Monthly Sec. Dep. Charge _____
 Cancellation Clause 30 days written notice from 1st of month

Applicant agrees to pay balance of _____ Deposit upon moving into _____
 or in regular monthly installments as detailed above. Applicant also agrees to
 pay the total first month's rent within ten (10) days from acceptance of this
 application or forfeit deposit. In the event application is not approved
 within thirty (30) days from date, deposit must be refunded to applicant.

I hereby make application for and agree to take said premises on the above
 terms and conditions. I agree that no dogs or cats shall be kept in apartment.
 I also agree that no more than the number listed above in my family shall
 occupy premises without written notice to the management, and consent by them
 received.

Tom Maloney
 Signature of Applicant

PARK PLAZA, INC.

B. Skulason
 By

Foldout
Here



EXHIBIT No. 32—Continued



KING TOWER, INC.

I hereby make application for Apartment No. 502 at the rate of \$ 107.50 ^{less only} per month plus \$ 4.25 for Electricity and \$ 5.00 for Car Storage. ^{11.25 mil service}

I further agree to pay the sum of \$ 75.00 as a Deposit to be held by King Tower to apply on amounts owing; or missing and/or damaged furnishings.

I agree to the 30-day Vacating Notice Requirement and provisions of the Oregon State Laws applicable to this tenancy.

Date July 31- 55 Name Tom Malney
 Firm Crangner Position Teamster Union
 Present Residence Address Park Plaza
 Business Address 3rd and Holiday
 Wife Employed by State of Washington Medical Lake
 Dependents Wife (Age) Son 9 yrs (Age) 16 (Age)
 References (Other than Relatives)
 1. Lyndal Hildreth 2. Clyde Crosby
 Phone No. East 8171- Phone No. East 8171
 Make of Car Chevrolet Math Ryan
 License Burley 7860

Approved By JW For Office Use Only Notified
 Begin Occupancy _____ Keys Assigned 8/1/55

☒ Cardex
☒ Mailbox
☐ Index

Reference OK

OK

Rent 90.00
Furn 175.00
107.50
Elec 7.20
Water 5.00
Maid Serv 12.25
Total \$311.95

EXHIBIT No. 33

October. 5-55.

Manager.
King Tower Apts.

Am being transferred to Los Angeles November 1st and I
am giving you notice that I am vacating. I have enjoyed this Apartment
very much. And the people that you have working in this House have been
very kind.

I Am As Ever.
Tom.
Apt. 502.

EXHIBIT No. 34

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers
HONORABLE WITHDRAWAL CARD


ARTICLE XVII, Sec. 5(a). This is to certify that the bearer hereof,
BROTHER Stan Perry whose
name appears on the margin of this card in his own handwriting, has
paid all dues and demands and withdrawn in good standing from mem-
bership in Local No. 223
Given under our hands and the seal of Local Union No. 223
[SEAL] This 30th day of November 1954
F. E. Kildreth Secretary
Carroll A. Lyon President [OVER] 
NAME
PRINTED IN U. S. A. L 3015 5-53 200M

EXHIBIT No. 34A



Miscellaneous Drivers Local Union No. 223

Affiliations: International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; Joint Council No. 37, Central Labor Council of Portland and Vicinity, American Federation of Labor, Oregon State Federation of Labor.

TEAMSTER BUILDING • 1030 N. E. THIRD AVENUE • PORTLAND 13, OREGON • EAST 8171

November 22nd, 1954

Mr. Stan Terry,
1451 N. E. Alberta,
Portland, Oregon.

Dear Sir and Brother:

This withdrawal card is being issued to you by directive of the International Union through Clyde C. Crosby, International Organizer.

You will also find enclosed our check in the amount of \$5.00, which check is in refund of December dues.

Fraternally yours,

L. E. Hildreth, Sec'y.

LEH/em

Enclosures: Withdrawal Card
Refund Check

"HAVE IT DELIVERED"

EXHIBIT No. 34B



Miscellaneous Drivers Local Union No. 223

Affiliations: International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Joint Council No. 37, Central Labor Council of Portland and Vicinity, American Federation of Labor, Oregon State Federation of Labor.

TEAMSTER BUILDING

1020 N. E. THIRD AVENUE

PORTLAND 12, OREGON

October 6, 1955

Mr. Stan Terry
Stan Terry & Company
11451 N. E. Alberta
Portland, Oregon

Dear Sir:

We received the fourth quarter dues for your employees but no assessment was included in the payments. As of October 1, there has been a 25¢ per month assessment levied.

Would you please submit 25¢ per man per month so that we may clear our records.

Very truly yours,

L. E. Hildreth
L. E. Hildreth, Secretary

lb

check # 4026

10/7/55

"HAVE IT DELIVERED"

BOSTON PUBLIC LIBRARY



3 9999 05445 6676

